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Daily Report

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FBIS-CHI-95-113

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General

Reportage on Foreign Ministry Spokesman Comments

Denies Isolating Forum Delegates

HK1306110795 *Hong Kong AFP in English*
1042 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (AFP)—China denied Tuesday [13 June] its shifting of the site of an NGO Forum at the World Women's Conference in September was aimed at isolating participants, and welcomed more foreign women to come to witness changes here.

Foreign ministry spokesman Shen Guofang also called for attention to be refocused from a row over the venue for the Non-Governmental Organisation (NGO) Forum, which was resolved last week, back onto the main theme of the gathering. "Just like the Chinese government and the governments of many other countries, most NGOs hope for the conference and the forum to be successful in order to help raise the status of women," Shen told journalists. This is "the main theme and the substance of the women's conference and there should not be any deviation from this theme," he said.

The objectives of the 10-yearly gathering — which is to comprise a UN-sponsored official conference and the NGO meeting — have been overshadowed over the past two months by the venue dispute. The row was sparked in early April, when the Chinese government suddenly announced plans to shift the NGO Forum from its scheduled site at the Workers' Stadium in central Beijing to Huairou county, an hour's drive north of the capital.

The US-based forum organisers threatened to cancel the meeting, saying Huairou lacked adequate facilities and was too far from the official conference, to be held in Beijing. But organisers last week said Huairou now met their requirements, as the Chinese side agreed to permit the participation of more than 36,000 delegates.

While Beijing said structural problems at the Workers' Stadium had forced the move, analysts here believe the real reason stemmed from concerns about the possibility of radical delegates staging demonstrations and introducing unacceptable ideas in the capital.

"The notion of isolating those people was by no means our idea, it was the idea of those who wished to say so," said Shen, urging more NGO delegates to "come to China to witness what is going on in this country." With thousands of years of tradition, "I do not think the Chinese people could be easily affected by outside ideas," he said.

Shen also dismissed continued concerns over Huairou's inability to meet the demands of forum delegates or the vast press corp that will cover the event. China "will do its best, including offering all the necessary telecommunications and liaison facilities, to make the forum a success," he said.

Court Accord To Boost UK Ties

HK1306111295 *Hong Kong AFP in English*
1058 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (AFP)—China said Tuesday [13 June] it hoped last week's Sino-British agreement over the establishment of Hong Kong's Court of Final Appeal would have a positive impact on the development of bilateral ties. Attributing Friday's agreement to the "joint efforts" of China and Britain, foreign ministry spokesman Shen Guofang said it represented "a relatively successful cooperation between the two sides in handling business relating to Hong Kong's transitional period."

"It is our hope that it will produce a positive impact on cooperation between the two sides in the future in handling other matters and it will positively affect the development of the Sino-British relationship," Shen told journalists.

The deal was made possible by Britain giving in to Chinese demands by agreeing that the court should only be able to take cases from July 1, 1997, the day that the British territory reverts to Chinese rule, rather than beginning earlier to gain experience. It also retains a controversial 1991 secret agreement to limit to only one the number of overseas judges who will sit on the five-member court, while leaving open to Beijing's interpretation the vague concept of "acts of state." The signing of the agreement prompted a furious reaction from Hong Kong legislators.

Shen said the deal showed that all problems could be resolved if China and Britain acted in accordance with previous agreements, adding that "we hope to have such cooperation with the British side in other matters." He expressed confidence that the setting up of the court in 1997 would help ensure that Hong Kong enjoyed "an independent and complete judicial system" in accordance with the concept of "one country, two systems."

Minister Liu at UN Crime Prevention Conference

*OWI306080695 Beijing XINHUA Domestic Service
in Chinese 0808 GMT 31 May 95*

[By reporter Zhang Hao (1728 3185)]

[FBIS Translated Text] Vienna, 30 May (XINHUA) — The UN Committee on Crime Prevention and Criminal Justice opened its fourth meeting at the UN Conference Center in Vienna on 30 May. Addressing the meeting, Liu Yang, head of the Chinese delegation and vice justice minister, explained the stand of the Chinese Government on the work in the sphere of crime prevention and criminal justice.

Liu Yang pointed out: In recent years, international crimes, including organized transnational crimes, appeared to be increasingly rampant. They disrupted the normal order of the international community to an enormous extent and seriously affected the economic development of every country in the world. In particular, they caused catastrophic damage to the economic growth of the developing countries and the improvement of their people's living standards. Therefore, China believes it is necessary to strengthen technical cooperation in the sphere of crime prevention and criminal justice.

He said: The Chinese Government attaches great importance to the matter. It signed agreements, including criminal justice assistance and extradition agreements, with 14 countries. In addition, China successfully conducted fruitful cooperation through diplomatic channels with some countries with which it has not signed agreements on judicial assistance. In the process of formulating laws and amending and improving laws on crime, China also attached great importance to drawing on other countries' useful experiences and using them in light of China's specific conditions.

Liu Yang said the United Nations should play a more important role than ever in promoting international technical cooperation and assistance.

He emphatically pointed out: The United Nations should further attach importance to providing developing countries technical assistance with respect to crime prevention and criminal justice. To the extent that resources are available, the United Nations should solve the developing countries' problem of being liable to the harm done by crime, particularly by organized transnational crime, because of a lack of funds and backward technologies and equipment.

He pointed out: In addition to what is at our disposal now, increasing investment in the implementation of the UN plan on crime prevention and criminal justice is the necessary economic foundation for promoting cooperation between every country at the present stage.

For this reason, all UN members and, in particular, the developed countries should make greater contributions.

At last, the head of the Chinese delegation expressed: As a member of the international community, the Chinese Government will do its best to undertake the responsibilities and obligations that it should undertake and strengthen exchanges and cooperation with the UN Secretariat and with all UN members. China also hopes to receive various forms of technical assistance from the United Nations, make full use of the information and technologies offered by the UN plan on crime prevention and criminal justice, and acquire the international community's useful experiences.

The fourth meeting of the UN Committee on Crime Prevention and Criminal Justice is scheduled to close on 9 June.

Seoul Supports U.S.-DPRK Nuclear Agreement

*OWI306110395 Beijing XINHUA in English
0950 GMT 13 Jun 95*

[FBIS Transcribed Text] Seoul, June 13 (XINHUA) — South Korea decided today to support the tentative agreement reached in Malaysia between the United States and the Democratic People's Republic of Korea (DPRK) in connection with the implementation of the Geneva framework agreement.

The U.S. and the DPRK are expected to announce their final agreement later today in the Malaysian capital of Kuala Lumpur, to conclude the ongoing nuclear talks on the provision of two light-water nuclear reactors to the DPRK, South Korean Foreign Minister Kong Nomyong said.

The supply of such reactors is stipulated in the framework agreement signed by Washington and Pyongyang in Geneva last October.

Reports from Kuala Lumpur said under the newly-reached agreement, the light-water reactors supply contract will be signed between the DPRK and the Korean Peninsula Energy Development Organization (KEDO), a multinational consortium led by the U.S., South Korea and Japan.

The KEDO will choose the reactor type as well as the prime contractor.

But a separate provision will formalize the use of South Korean-made reactors and South Korea's central role in the project.

Meanwhile, U.S. President Bill Clinton sent a personal letter to South Korean President Kim Yong-sam today guaranteeing South Korea's central role in the reactor project.

Clinton said in the letter that a South Korean company will be the main contractor and will undertake the light-water reactor project by assuming overall responsibility for all fields, including the designing, manufacturing, building and project management.

The Washington-Pyongyang talks in Kuala Lumpur, which began on May 20, have focused on who will supply the 1,000 megawatt light-water reactors promised to the DPRK under the Geneva framework agreement last October, in return for the latter's freezing of its nuclear program.

Last April, the U.S. and the DPRK held talks in Berlin, Germany, but failed to reach any agreement on the provision of light-water reactors.

Washington insisted that the DPRK accept light-water reactors from South Korea. However, Pyongyang refused, saying that it suspects South Korea's safety standards and preferred American-made reactors instead.

U.S. Policy on Bosnia-Herzegovina Reviewed

*HK1206144095 Beijing RENMIN RIBAO in Chinese
5 Jun 95 p 6*

["News Analysis" column by staff reporter Huang Qing (7806 2532): "U.S. Policy Vacillates on Bosnia-Herzegovina"]

[FBIS Translated Text] Washington, 4 Jun (RENMIN RIBAO)—On 2 June, an American F-16 fighter carrying out a NATO mission over Bosnia was shot down. On the same day, Bosnian Serbs released about 120 United Nations peace-keepers. These two developments have sent a dramatic, complex signal to the world.

Bill Clinton expressed his concern over the downing of the U.S. jet and the fate of its airman, saying that U.S. policy on Bosnia "remains firm," and that he had held discussions with leaders of the European Union on this issue. A few days ago, Clinton noted that the United States is willing to send ground troops to help UN forces redeploy in Bosnia. However, up to now, U.S. action has been limited to carrying out air missions and positioning aircraft carriers in the Adriatic Sea.

On 2 June, Clinton reportedly held a 90-minute meeting with Anthony Lake, assistant to the President for national security affairs, Defense Secretary William Perry, and General John Shalikashvili, chairman of the Joint Chiefs of Staff. The following day, Perry and Shalikashvili went to Paris to attend a western nations' strategy meeting hosted by French President Jacques Chirac. It is reported that on 2 June, Chirac held talks with Clinton on the establishment of a multi-national rapid-reaction force; on 3 June, NATO reached a consensus on this issue, and the United States

indicated that it would not contribute its troops to the force but is willing to provide air support. In his speech on 3 June, Clinton redefined the U.S. role in Bosnia, lowering the chances that the United States would send troops to help UN forces redeploy.

Viewed from the position defined by a spokesman for the White House, the U.S. plan is: 1) Call on the United Nations to clearly define the mission of UN forces in Bosnia and make a decision on the redeployment of forces and on the adjustment of policy. This move seems to serve two purposes. One is to seek UN authorization for action in an attempt to gain international legitimacy for its actions in Bosnia. This has become a diplomatic pattern of U.S. foreign military action since the Gulf War. Another is that the United States is still not willing to make a hasty final decision which is difficult to change, and lets the United Nations have the final say. This, after all, is a stalling tactic. 2) A spokesman for the White House welcomed the release of hostages held by Bosnian Serbs several hours after severely criticizing Bosnian Serbs for shooting down a U.S. warplane. It is reported that U.S. special envoy Robert Frasure held negotiations on 2 June with Serbian President Slobodan Milosevic, urging the latter to persuade the Bosnian Serbs to free the hostages. This shows that the United States is still making allowances for the questions of war and negotiations. It is understood that a U.S. official said that, if the release of hostages is verified, retaliatory actions may be put off or even canceled so as to avoid undermining the possibility of releasing other hostages.

The Bosnian Serb moves to detain hostages and bring down the U.S. jet is both a challenge and a signal. It shows that fighting is relentless, in which anyone embroiled is bound to get hurt. Some people in the United States said that the United States does not have a good option on the Bosnian issue and the best it can do is to accept the lesser of two evils. Judging from the current situation, a compromise is still possible, although the level of confrontation is escalating rapidly. Viewed from the latest development, all parties seem to proceed with caution and adopt corresponding countermeasures in the changing situation.

U.S. intervention in Bosnian affairs has met with considerable resistance in the United States. Very few people in Congress support Clinton's speech on sending troops to help UN forces redeploy, while many people said it was Europe's business and that strengthening forces in Bosnia means reinforcing failure there. Clinton also noted that the administration will consult Congress before taking any military action. In his speech on 2 June, Clinton also said that the United States will not fall into a disaster like the Vietnam War again, reflecting

that this historical wound is still a mental barrier for the United States when it contemplates using military force.

On the other hand, the Bosnian issue involves defining the international role of the United States after the Cold War, issues concerning the U.S. role in European security structure, and the U.S. duties and obligations to NATO. As these are crucial issues, the United States can hardly be an onlooker and does nothing about them. Due to the above factors, the U.S. moves on the Bosnian issue shows the characteristics of being caught in a dilemma, changeable in its policy, vague about its goal, and vacillating. For this reason, some people in the United States lash out at the Clinton administration. In fact, from Bush to Clinton, the U.S. policy on the Bosnian issue has been consistent and continues on the whole. Now, the problem is that the trend of the times makes it impossible for the United States to do take any action in spite of its intention to do something.

***Article Views Changing North-South Relationship**

95CM0259A Beijing XIANDAI GUOJI GUANXI [CONTEMPORARY INTERNATIONAL RELATIONS] in Chinese 20 Mar 95 No 3, pp 2-6

[Article by Zhu Zhonggui (2612 6850 6311), Ding Kuisong (0002 1145 2646), and Zhang Xinsheng (1728 2450 3932): "Changes in the Third World and New Developments in the North-South Relationship"]

[FBIS Translated Excerpt] After the end of the Cold War, changes and new developments have occurred in the Third World and in North-South relations which have attracted general attention and which will have profound effects on the shaping of the new overall world situation and on international relations in the 21st century. Many opinions have been expressed on this subject in international circles; the present article will comment on these. [passage omitted]

II.

The main issue in North-South relations is the wide and irrational inequality and disparity in trade relations between the developing countries (the South) and the small number of developed countries (the North). This situation has arisen in the course of history and has not changed essentially because of the end of the Cold War and the rapid economic development in some of the developing countries. Undeniably, most of the world's wealth is held by a small number of developed countries of the North, and the world's economy and trade is still to a large extent monopolized and controlled by them. At the same time, they constantly conduct power politics in their relations with the developing countries, using "democratization" and protection of human rights as the means of safeguarding their dominant

economic positions. However, under the new international situation, some changes are indeed occurring in North-South relations.

1. The most underdeveloped countries show slow economic development, thus widening the poor-rich disparity between themselves and the industrial countries of the North. Because of the inequality of economic development, the developing countries comprise the most underdeveloped countries. There are now altogether 48 such most underdeveloped countries, of which 33 are in Africa, and the rest in Asia, the Pacific, and America (Haiti). According to the criteria of the World Bank, these are the world's low-income poor countries. In 1982, per capita GNP in these poor countries was \$280, which by 1992 had risen to \$390, an increase of only 39 percent. During the same period, per capita GNP in the rich countries of the North had risen from \$11,000 to \$22,000, so that the disparity ratio between rich and poor countries during the 10 years had increased from 39 times to 56 times. Their trade with the developed countries has remained mainly exports of primary and raw materials, and their imports mainly manufactured goods, and due to the inferior state of their capital funds and technologies, there are also acute contradictions in the terms of trading, debts, and other such elements in their relations with the developed countries.

2. Changes have occurred in the mutual dependence between the developing countries with fast economic growth and the developed countries. In the past, mutual economic dependence between almost all developing countries and developed countries consisted in having the developing countries purely act as suppliers of raw materials to the developed countries, as commodity markets, and as outlets for investments. Now, however, developing countries and territories with fast economic growth, having effected shifts in their product mix and export product mix, are constantly increasing the proportion of manufactured goods which they produce and market in large quantities in developed countries. For instance, in China in 1980, finished industrial products accounted for only 49.2 percent of total exports, a proportion that had risen to 83.7 percent by 1994. In the early years of the 1980's, primary commodities accounted for over 60 percent of the exports of members of the ASEAN, but by 1992 for Singapore, Indonesia, the Philippines, Thailand, and Malaysia manufactured goods accounted for 78, 48, 73, and 67 percent of total exports. As far as flow of capital is concerned, they still continue to import foreign capital, but on the other hand also effect investments in the developed countries. As there has been this change in mutual dependence, some developing countries are causing new conflicts with the developed countries in such areas as markets, invest-

ments, and technologies. In the last two years, developed countries have constantly come up with a "theory of the Third World threat," and have used administrative and legal means to exercise pressure on the East Asian and Southeast Asian regions causing continuous disturbances in economic and trade relations, which are indeed reflections of the said conflicts. **The struggle between the two sides now focuses on labor standards, protection of the environment, and liberalization of trade.**

3. Policy of the North toward the South tends to concentrate on specifics, each country aiming at the establishment of its own "sphere of economic influence." In the early days after the great changes in Eastern Europe and the breakup of the Soviet Union, the United States, France, and other developed countries adopted a rigid policy of combining "aid" with "multiparty democracy" in their dealings with the African countries. However, since Western-style "multiparty democracy" led to political turmoil in Africa, i.e. to a state that was unfavorable for the economic and trade interests of the developed countries, they then adjusted that policy with a new emphasis on "safeguarding" stability in the African countries, and with the additional policy of reduction or remission of debts. They have also replaced their past principle of "drawing a line" against the Soviet Union with the principle of "drawing a line" where economic interests are the criterion. They now attach increasing importance to those East Asian and Southeast Asian countries and territories which are showing rapid economic growth and vast economic potential. They are one after the other formulating "Asian strategies" that include increasing investments, expanding trade, and the transfer of manufacturing and service industries, the intention always being to control those extensive markets in the developing countries. Latin America has all along been the "backyard" of the United States, and to prevent the step by step intrusion by the EEC into Latin America, the United States has turned all of Latin America into a U.S. sphere of interest and is now trying hard to extend the North American Free Trade Zone into a free trade zone that would comprise the entire Western Hemisphere. Particularly for this purpose, the United States called a conference of American heads of state in December last year. The EEC is showing a growing interest in Latin America and is already the second largest trading partner of Central America. The EEC is in fact surpassing the United States in investments and trade in the Southern Cone Common Market [Mercosur] and is furthermore negotiating with Mercosur for the establishment of a free market zone. For all these reasons, competition among the developed countries for the markets of the developing countries is growing more acute by the day.

4. The North-South dialog is turning regional. Due to opposition and obstruction by the northern developed countries, the global North-South dialog has become completely paralyzed. Following the Cancun conference in 1981, no further high-level global North-South dialog has taken place again. However, in the last few years, the regionalization of the world economy has resulted in the increasing development of North-South dialogs within certain particular zones, examples being the Asia-Pacific Economic Cooperation (APEC), the North American Free Trade Agreement (NAFTA), which, in contrast to the EEC, are organized by the developed and developing countries of a particular area. It is common knowledge that due to geo-economic factors, dialog on economic and trade cooperation between the northern and southern countries within one particular zone is easier to achieve than global North-South dialog. However, on the other hand, the basic disparity between the countries of the North and those of the South continues to exist, and as a result there are still many basic contradictions in these dialogs. For instance, in 1994 at the informal meeting of APEC heads of state at Bogor in Indonesia, the following contradiction arose in the question of promoting liberalization of regional trade: On the one hand, agreement was achieved on the general direction of trade liberalization, but on the other hand, opinions differed on the definition, scope, and conditions of trade liberalization. This clearly indicates that future regional North-South dialogs will continue to be part struggle, part cooperation.

III.

Following the end of the Cold War and the changes in the Third World and in North-South relations, **much critical opinion has been voiced internationally, which has people wondering whether some of the critical opinions are justified.**

1. Some believe that after the end of the Cold War, the disparity between the developing countries themselves is widening ever more and that it is no longer justified to call all these countries comprehensively "the Third World" or "the developing world." Undeniably, economic developments in the various developing countries in recent years have been more and more uneven, and political tendencies have become more diverse, however as a group, in contrast to the developed countries in experiences and in the situations they are in, they still have, even today, much in common. They have a common view, common interests, and a common stand in such matters as safeguarding world peace, opposing power politics and outside interference, efforts to develop the economy of their own countries, and efforts to establish a new order of international politics and economics. As long as no radical change occurs

in the unequal and irrational economic and trade relations between North and South, and as long as the small number of Northern countries continue to conduct power politics with regard to the large number of developing countries, the "Third World" or the "developing world" will continue to exist as an entity. Especially, **today, when the small group of Northern countries intends to split and disintegrate the contingent of developing countries, it appears of extraordinary importance to regard the "developing countries" as a true entity and to maintain and strengthen solidarity and cooperation between the developing countries.** It is reported that within the Group of 77, certain large countries with large populations (e.g. Indonesia, India, Nigeria) are now planning to hold in 1996 a large-scale "South-South Conference," (Footnote 1)(See the German TRADE JOURNAL, 19 October 1994) to maintain the solidarity of the southern countries, mobilize all members of the group to bring the potential of developing countries at different stages of development into play, and enhance their international influence. This clearly indicates that there is, even up to today, a very strong cohesiveness among the developing countries.

2. Certain interest groups in the developed countries are now concocting and spreading a so-called "theory of the Third World threat," in order to further safeguard their vested interests and their positions of power in economics and trade. In the past, the developed countries paid little attention to the developing countries, merely regarding them countries as a dependent force at their (the developed countries') mercy. However, following the rapid growth in the economies of some developing countries, which were able to raise their share in the world economy, the developed countries lapsed into a psychological state of "fear," fearing that their own control over the world economy will be weakened by the growing economic strength of the developing countries; fearing that the developing countries would increase their share of industrial manufactured products in the world's total volume of exports and that they would ship large quantities of commodities to the markets of the developed countries, thereby "stealing" production and employment opportunities of some traditional industries. The developed countries also feared that large amounts of capital and technology would flow to developing countries, causing the economic strength of the developed countries to "slowly wither away." **However, according to the present situation, these "fears" are all lopsided and exaggerated.**

First, the rapid economic growth of the developing countries, and the continuing increase of their share in the exports of manufactured products, will provide them with more capital to import commodities from the

developed countries, especially capital equipment and high-class consumer goods, which means that they will provide an even larger market for the exporters of the Northern industrial countries. Actually, U.S. exports to the developing countries exceed its exports to Western Europe and Japan. Western Europe's exports to the developing countries is twice the combined exports to North America and Japan. (Footnote 2)(See the British ECONOMIST, 1 October 1994.)

Second, increased productivity in the developing countries will result in lower costs for manufactured export goods, add to this the expanding economy of scale and fiercer international competition, and we shall see that all this will have consumers in the developed countries benefit from better quality and cheaper priced goods and services. For instance, about 30 percent of all clothing imported by the United States come from the Third World, and as a result prices in the United States for clothing and shoes have actually dropped in the past 10 years by more than 20 percent, to the benefit of the large number of U.S. consumers. (Footnote 3) (See the British ECONOMIST, 1 October 1994.) Besides, certain branches of trade in the developed countries, in the face of competition from factories and commercial firms in the developing countries, will more effectively use their resources and raise productivity, which will also contribute to the economic development in the developed countries.

Third, rapid economic development in Third World countries reduces poverty, contributes to social and political stability, and improves the investment climate, facts which provide new and rare opportunities for entrepreneurs in the developed countries.

Fourth, because of the low educational level that generally still prevails in the developing countries, the average worker there has received a rather limited education, so that the developed countries cannot possibly transfer large amounts of complex production technologies to Third World countries. As to the flow of capital, although such flow from the developed countries to the developing countries has increased, main destinations for direct international investments are still the developed countries, such as Europe, the United States, and Japan, while capital flow to the Third World countries has been less than 20 percent. (Footnote 4)(See the German INTERNATIONAL ECONOMICS, March-April, 1994.) Therefore, as far as the developed countries are concerned, it stands to reason that economic growth and prosperity in the developing countries should be welcomed. It is erroneous and harmful if some people in the developed countries concoct this "theory of the Third World threat" and use it as a pretext for various harsh conditions and for stirring up trouble in economic

and trade relations with the developing countries, particularly with those registering rapid economic development. The correct procedure would be to treat the developing countries with an attitude of equality, to support them in the accelerated development of their economies, and to strengthen mutual cooperation, reciprocity, mutual benefit, and common prosperity.

3. There are people who have no confidence that some developing countries, especially the most underdeveloped countries, will be able, under the new situation, to develop their economies and to extricate themselves from poverty and backwardness; theirs is a "pessimistic" outlook. We must recognize, though, that the state of underdevelopment in developing countries is the result of various complex factors. Looking at it from the standpoint of some developing countries and territories with continuously growing economies in East Asia, Southeast Asia, and Latin America, we see that this state of underdevelopment is not something that is absolutely impossible to change. According to the experiences of these countries, to attain a rapid development of the economy, an excellent international environment and excellent external conditions are of course extremely important, but the decisive factor is still maintenance of political stability in these countries themselves and the adoption of a strategy and general and specific policies for social and economic development that will well suit the national conditions of the country concerned and that will be adapted to the changes in the international situation. Many countries in Asia and Africa attained independence after World War II, and their economic and social conditions were basically the same at the time of independence, all were not much developed, but through somewhat over 30 years of development, especially during the last few years, there has evolved evident differences in the levels of their economic developments, and the solution to the mystery must probably be sought here. The following examples can explain the problem. In 1950, comparing South Korea with Cameroon and Thailand with Togo, each pair had about the same GNP, however by 1991 the figures for per capita GNP of South Korea and of Cameroon were \$6,330 and \$850, a difference of almost 7.5 times. The figures for the per capita GNP of Thailand and Togo were \$1,570 and \$410, a difference of 3.8 times. Indonesia and Nigeria are two large oil producing countries, one in Asia and one in Africa. In 1965, the per capita GNP of Indonesia was lower than that of Nigeria, but presently its per capita GNP is 3 times larger than that of Nigeria. Obviously, these differences were not due to God favoring this or that country, but must be attributed, apart from some natural geographical and human differences, primarily to the different political situations and to the economic policy

decisions in these two types of countries. It must furthermore be pointed out that many African nations had been forced to accept "structural readjustment plans" set forth by the World Bank and the International Monetary Organization, plans which were inconsistent with the actual situation in Africa and which had unfavorable economic and societal consequences for African countries. In sum, according to the experiences of developing countries with rapid economic growth, the economy of whatever developing country can indeed be stimulated to development, and any "pessimistic" view in this respect must be refuted.

United States & Canada

Further Reportage on Li Teng-hui's U.S. Visit

U.S. 'Playing With Fire'

HK1206155495 *Beijing RENMIN RIBAO* in Chinese
10 Jun 95 p 3

[By Bu Wen (0592 0795): "The United States is Playing With Fire"]

[FBIS Translated Text] The United States is playing with fire [zheng zai wan huo 2973 0961 3779 3499]. The U.S. Government's permission for Li Denghui [Li Teng-hui] to visit the United States encourages and supports Taiwan in splitting itself from China. This is an extreme act [ji duan xing wei 2817 4551 5887 3634], harming China's state sovereignty and hurting the feelings of the Chinese people. It is a challenge to China.

It is futile for the United States to put up any pretext over the matter.

One such pretext argues that Li Denghui was given permission to visit the United States in order to avoid the adoption of resolutions more harmful to Sino-U.S. relations by the U.S. Congress. If this is true, what will the U.S. Government do if Congress, encouraged by this move, exerts even greater pressure on China?

This pretext argues that permitting Li Denghui to visit the United States is in line with the U.S. policy of maintaining only unofficial ties with Taiwan. But U.S. Secretary of State Warren Christopher himself once said before the U.S. Congress that "A visit by Li Denghui to the United States would make it possible to erase the unofficial nature of relations between the United States and Taiwan, which is an important point." One still remembers this remark. Why, then has it smacked its own face?

Another pretext says that, if China does not react too strongly, Li Denghui's U.S. visit is nothing serious. This is like stabbing a person in the back, and when that

person cries out loud, the assailant says it is nothing serious if you do not cry out.

That is going too far!

The United States' wanton wounding [fang si di shang hai 2397 5127 4104 0281 1364] of China has one exceedingly good attribute. It makes the Chinese people see more clearly what kind of country the United States really is and what motives it harbors against China.

The U.S. Government has said time and again that "a strong, prosperous, and stable China is in the interests of the United States." The Chinese have put their trust in this proverb: "Listen to what a person says and then see what he does." What then has the United States done to China?

The Chinese do not forget history, especially the experiences over the past 50 years. Comrade Deng Xiaoping was right when he said, "China has never done anything harmful to the United States." However, the "United States aided Chiang Kai-shek in the civil war, killing and wounding so many Chinese." "Where did the major threat to China" come from after the founding of the PRC? ... The threat came from the United States at that time. The most glaring examples were the Korean War and then the Vietnam War. The political turmoil [zheng zhi feng bo 2398 3112 7364 3134] in Beijing in the late spring and early summer of 1989 "was first instigated by anti-communist and anti-socialist ideas around the world. Very regrettably, the United States got too deeply involved in that issue."

While the U.S. Government keeps expressing its solemn approval of a strong, prosperous, and stable China, what the Chinese people see is that the United States has insisted on imposing sanctions against China and has willfully exerted pressure on China by linking human rights with most-favored-nation status. It has ignored the three Sino-U.S. joint communiques by selling advanced weapons to Taiwan. Mutual visits between U.S. and high-level Taiwan officials have been frequent. Consequently, while permitting Li Denghui to visit the United States this time, the U.S. Government spokesman has time and again addressed him as "President Li Denghui" without any scruples.

Can all this demonstrate that the United States really believes that "a strong, prosperous, and stable China is in the interests of the United States?" What is the real intention of the United States?

Contrary to what the U.S. Government has said, the United States is extremely nervous and irritated about China's insisting on pursuing socialism and the fact that it is becoming increasingly powerful day by day. Some gentlemen in the United States and the media

they control long ago started openly advocating putting pressure on China to change its social system and halting China before it becomes powerful. The United States has tried all the above-mentioned means but to no avail. Finally, it has chosen the unwise means of encouraging and supporting the separation of Taiwan from China.

This serious act [yan zhong ju cuo 0917 6850 5282 2238] by the U.S. Government has also drawn international attention. It inevitably makes people ask: Where is this leading Sino-U.S. relations? Where does this lead the situation between the two sides of the Taiwan Strait? Where does this lead the situation of Asia and the world?

The reason why the United States has chosen this dangerous act [wei xian xing wei 0604 7145 5887 3634] of encouraging and supporting the "independence of Taiwan" is that it thinks China is weak and cannot afford to give up the economic exchanges and trade it has with the United States, so that it will be forced to make a concession. The United States maintains that, by merely giving it some carrots, it can make China eat this bitter fruit. Those gentlemen in the United States are too forgetful. It is not that the United States and China have not been in contact. They should not forget how the Chinese people have suffered aggression, exploitation, and humiliation over the past 100 years. For the sovereignty of the country and the dignity of the Chinese nation, the Chinese will not bow before any kind of bullying, but will surely stand up and strike back, no matter how poor they are and whatever hardship they must endure. The Chinese are what they are today because they have not hesitated to make sacrifices and have overcome all hardships in their struggle.

Taiwan is a part of the body of China. It was once dismembered from China, which made the Chinese people feel greatly humiliated and suffer great trauma and pain. Finally, the Chinese people succeeded in regaining it after giving up their lives, shedding a great deal of blood, and vowing to fight on. Today, although the two sides of the Taiwan Strait remain separated, the Chinese people will never tolerate Taiwan being separated and dismembered from China once again. China's policy on the Taiwan issue is very clear: One country, two systems and peaceful reunification. It opposes "two Chinas" and "one China, one Taiwan." If Taiwan declares independence, China will absolutely not stand idly by. The Chinese people mean what they say.

The Taiwan issue is a powder keg. It is extremely dangerous to keep warming it up, no matter whether

this is done by the United States or by Li Denghui. If their activities lead to its explosion, the consequences will be unimaginable.

People who play with fire always think they know what they are doing and think it is fun. But elements such as fire and water are cruel and indifferent and have their own principles, after crossing a certain threshold, running independent of human will and ultimately burning the players, much to their surprise.

We advise the U.S. Government, people like Li Denghui, and those who seek the "independence of Taiwan" in service of their immediate interests by warming up the powder keg: Be cautious, be cautious!

Spokesman Cites 'Grave' Impact

HK1306094995 *Hong Kong AFP in English*
0928 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (AFP) — China issued a new warning on Tuesday [13 June] that Taiwan President Lee Teng-hui's [Li Teng-hui] visit to the United States would have a "grave" negative impact on Sino-US ties, but again held back from spelling out the retaliation. "We maintain that the visit has grave potential negative implications for the overall relationship between the two countries. In the future I believe this ... will be duly reflected in many areas," said foreign ministry spokesman Shen Guofang. "We hereby call on the US side to take practical and effective measures to thoroughly remove the grave implications the visit has created for Sino-US relations."

China — which regards Taiwan as a renegade province — has reacted furiously to Washington's decision to let Lee make a four-day "private" visit to the United States. The visit ended Saturday. It has issued a series of threats of far-reaching retaliation, but reaction so far has been mainly limited to the field of military cooperation, with a few visits cancelled and discussions on nuclear missile proliferation postponed.

Comparing China's immediate retaliation to "skin disease" and the overall negative consequences of the incident for bilateral ties to "skin cancer," Shen said that while the latter was not visible, "its impact will be felt in the future." When asked whether the US move could adversely affect bilateral trade ties, Shen said "we still have to see."

The spokesman denied that the US withdrawal of ambassador to Beijing Stapleton Roy this week before the official appointment of a successor was related to the row over Lee's visit, saying it was "a normal rotation." "The US side has already informed us of the new ambassador," he said, but declined to reveal his name.

Former Democratic senator Jim Sasser is expected to be nominated, but confirmation of his appointment by the Republican-controlled Senate could take several months. Shen slammed US President Bill Clinton's administration for using the fact that it was under intense congressional pressure as an excuse for permitting Lee's trip and thereby interfering with China's internal affairs.

"When working out its foreign policy, the US government should not use the pressure of Congress as the criteria but the interests of the country," he said, urging Washington to comply with the three Sino-US joint communiques. The communiques set out US pledges to maintain only unofficial ties with the Nationalist island since Washington dropped diplomatic recognition of Taipei in favour of Beijing in 1979.

'Dual-Track' Policy Condemned

HK1306083095 *Hong Kong MING PAO in Chinese*
13 Jun 95 p cl

[Report: "Transfer of Stapleton Roy—Result of Deterioration of Sino-U.S. Ties?"]

[FBIS Translated Text] A spokesman for the U.S. Embassy in Beijing confirmed yesterday that U.S. Ambassador to China Stapleton Roy would leave his post this week. Although embassy personnel emphatically described this as a "normal transfer," the fact that Roy is to quit before his successor has been decided has increased public concern about the development of Sino-U.S. relations since the United States granted an entry visa to Taiwan President Li Teng-hui.

Roy succeeded James Roderick Lilley as U.S. ambassador to China in 1991. The U.S. side said: According to the plan Roy was to transfer to Thailand last year, but the plan was delayed because his successor was not finalized.

It Is Reported That Roy Was at Odds With the State Department

A source said: The news that Roy was to leave his post was going around in Beijing for a long time. Roy was more acceptable to Beijing than his predecessor James Lilley. In China's view, Roy was more pragmatic in dealing with Sino-U.S. relations and his departure had some connection with his frequent disagreement with the State Department over China policy.

According to the Beijing source's analysis, Roy's sudden departure, that is, before his successor was finalized, had something to do with Sino-U.S. relations nearing "freezing point," brought about by Taiwan President Li Teng-hui's "private visit." One possibility was that at present Clinton urgently needed to recall Roy to study

ways to deal with the new situation, while another was that recalling the ambassador was a premeditated corresponding [as published] move for possible further action against China.

Like his predecessor James Lilley, Roy was born and brought up in China and is an old China hand. The United States has always been fairly choosy about its ambassador to China, and so far Clinton has not nominated a new one. But since February, rumors have been rife that Jim Sasser would replace Roy, but he does not have the same background as Roy or Lilley. Sasser, a former senator loyal to the Democratic Party, failed in last year's election. Some people believe: If Sasser is formally nominated, that will mean some change in U.S. China policy, namely, it will from then on choose its ambassador to China from among people equipped with a more "U.S. viewpoint" rather than from among old China hands.

The New Ambassador May Not Be an Old China Hand

The United States took the above important step recently when Sino-U.S. relations were strained as China continued to level its powerful "government and civilian barrage" against U.S. China policy. The official RENMIN RIBAO carried a signed article yesterday accusing the United States of pursuing a "double-dealing" China policy, trying to maintain good relations with Beijing while openly violating various relevant bilateral agreements.

The LIAOWANG weekly, published by another major official medium, XINHUA, will also run a signed article next Monday [as published] continuing to criticize the U.S. for allowing Li Teng-hui's entry. Apart from criticizing Taiwan for its foreign policy in recent years, the article will for the first time criticize some Western countries for their "dual-track" China policy, maintaining diplomatic relations with Beijing while developing substantial relations with Taipei. In the past Beijing did not raise any objection to those countries which have diplomatic ties with it maintaining substantial relations with Taipei.

Overseas Chinese Denounce Visit

OW1206113595 Beijing XINHUA Domestic Service in Chinese 0849 GMT 9 Jun 95

[FBIS Translated Text] New York, 8 Jun (XINHUA) — On 8 June representatives from various circles of the overseas Chinese in New York attended a forum in protest of the U.S. Government's erroneous decision to connive at the Taiwan authorities' efforts to create "two Chinas" or "one China, one Taiwan." The forum's participants strongly denounced Li Denghui [Li Teng-

hui] for his disregard for national interests and his willingness to be a tool of foreign forces to split China.

During the meeting, the Committee of Overseas Chinese in New York Protesting Li Denghui's U.S. Visit issued a statement, which says: The three Sino-U.S. joint communique are the foundation for the normal development of Sino-U.S. relations. The U.S. Government's permission for Li Denghui to visit the United States has just shaken this foundation. In view of Li Denghui's special status, his visit, regardless of the reason, capacity, and ways and means, is bound to create the impression of "two Chinas" or "one China, one Taiwan."

The statement says: Li Denghui's U.S. visit is tantamount to a serious step taken by the U.S. Government to interfere with China's internal affairs and to obstruct the process of China's reunification.

In his speech, Zhang Zhenqiang, New York Committee for the Promotion of China's Peaceful Reunification vice president, said: Li Denghui's visit is aimed at creating the condition for realizing "Taiwan independence" and at embracing foreigners to earn himself dignity to the detriment of the Chinese nation's vital interests, and he will definitely be punished by history. The U.S. Government's decision to allow Li Denghui to visit constitutes an attempt to split China; and the United States will have to pay a dear price for its decision.

Gong Zhongwu, XINSHIJI LUNTAN [NEW CENTURY FORUM] representative, said: The real intention of Li Denghui's visit to the United States is to create "two Chinas" or "one China, one Taiwan"; and the so-called "low-profile handling" is only a camouflage for the visit. Li Denghui will stage a series of shows, to which we should heighten our vigilance.

Yang Gongde, Federation of Overseas Chinese Associations in New York chairman, said: Li Denghui's current show reveals who is the real behind-the-scene backer of "two Chinas" or "one China, one Taiwan." The overseas Chinese associations in New York strongly condemn Li Denghui's act of betraying the motherland's vital interests and splitting the motherland.

Sun Zhengzhong, chairman of the Sun Min International Group Company Board of Directors, said: The key to Li Denghui's current visit to the United States lies in its government. The U.S. Government's previous wrongful policy decisions and interferences in other countries' internal affairs have caused instability in many countries and regions, as well as cost the United States an enormous price. Now the U.S. Government is repeating a similar mistake. We hope the United States Government will rescind the erroneous practice;

otherwise, it will have to pay a devastating price for this.

Beijing's 'Missed Opportunity'

HK1306075895 Hong Kong SOUTH CHINA MORNING POST in English 13 Jun 95 p 18

[Editorial: "A Missed Opportunity"]

[FBIS Transcribed Text] President Lee Teng-hui's [Li Teng-hui] visit to his alma mater, Cornell University has raised his own and Taiwan's profile in the United States, boosted his popularity and re-election chances at home and caused maximum embarrassment to Beijing and Washington. Could a politician ask for more?

Mr Lee's critics believe he should have been asking for far more. He has put Taiwan back on the political map in Washington just when US relations with China have soured and the American Right is searching for new ways to punish Beijing. But by taking up the visa President Bill Clinton was forced to offer and going to New York to address Cornell's influential alumni, Mr Lee has backed the Administration into a corner.

Washington, the critics fear, will now be bending over backwards to repair relations with Beijing. Until now, it has cold-shouldered Taipei in public but cultivated warm relations unofficially. Now the public and unofficial positions may be reversed.

Mr Lee will not be impressed. He is not in the business of encouraging world leaders to look over their shoulders at Beijing, but of asserting Taiwan's economic and political importance. While he self-consciously avoids any overt assertion of Taiwan's independence, his globe trotting is proof of the island's separate identity. He is not only stealing the thunder of the pro-independence opposition at home, he is successfully defying Beijing.

China has failed to react with similar subtlety. Its knee-jerk reaction has been to threaten, bully and cajole. Instead of winning international support, it shows itself up in the worst light. Beijing should be reminded that Mr Lee is on an unofficial, private visit. In his private capacity he is entitled to travel anywhere he likes. He would get nothing like the publicity he enjoys on these jaunts if China took the decision to ignore him.

Instead of threatening sanctions against the US, and humiliating its ambassador to Beijing, China should look at what it can gain from the visit. In a conciliatory gesture, Taiwan has offered to allow visits by high level mainland officials. If Beijing were more forgiving, it might eventually persuade Taipei to make economically more important concessions, such as direct flights and shipping links with mainland ports. That would do

more for the reunification of China than petulance and posturing.

U.S. Vote on Asylum, Tibet 'Brutal Interference'

HK1306051095 Hong Kong AFP in English 0445 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (AFP)—China on Tuesday strongly condemned a U.S. House of Representatives vote to give asylum to Chinese victims of the country's one-child policy and to name an ambassador to the Tibetan government-in-exile.

"This constitutes a brutal interference in China's internal affairs," said a foreign ministry spokesman, "we are firmly opposed to it."

The House of Representatives voted to attach the two riders last week onto the foreign aid bill, which it also passed. If the measures are approved by the Senate as well, President Bill Clinton would have the option of signing or vetoing the package.

The vote came as tension between Beijing and Washington mounted over Taiwan President Lee Teng-hui's [Li Teng-hui] visit to the United States. China has already announced retaliatory measures for the visit against the United States.

"Some congressmen, on the excuse of the groundless accusation that China's practices forced abortions and sterilizations, passed the act of granting political asylum to Chinese citizens," the foreign ministry spokesman said.

"We express our strong indignation," he added, saying the vote was an attempt to divide China.

The protest continued over the Tibet ambassador. "Tibet is an inalienable part of China, this is a fact recognized by the U.S.," said the spokesman.

He added that the House of Representatives' vote was "an act that grossly interferes in China's internal affairs. We are calling the U.S. government to take effective measures to block the passage of the act."

Northeast Asia

CPC Delegation Meets DPRK's Choe Tae-pok

OW1306012195 Beijing XINHUA Domestic Service in Chinese 1211 GMT 12 Jun 95

[By reporter Ji Xinlong (1213 2450 7893)]

[FBIS Translated Text] Pyongyang, 12 Jun (XINHUA) — Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of

the Workers' Party of Korea [WPK], indicated here today that the DPRK [chao xian] values its friendship with China, and that strengthening and developing the traditional friendship between the two parties, two countries, and two peoples is the WPK's firm [jian ding bu yi 1017 1353 0008 4448] policy.

Choe Tae-pok made the remarks during a meeting with a delegation of CPC workers headed by Xu Qing, deputy secretary of the CPC Central Discipline Inspection Commission. He said: The Korean and Chinese peoples have forged a profound revolutionary friendship in the prolonged struggle in the past. Under the new circumstances, it conforms to the fundamental interests of both countries to further strengthen the relations of friendly cooperation between the two parties, two countries, and two peoples. The WPK regards the development of this traditional friendly cooperation as a lofty task and "is willing to make an all-out effort" to carry it out. He said: The two countries share many things in common in socialist construction. This visit by the CPC workers' delegation to find out about the situation and exchange views will contribute to the further deepening of friendship between the two parties.

The Chinese delegation arrived here on 7 June on a good-will visit to the DPRK. It has visited Pyongyang and other places over the past few days.

Choe Discusses 'Friendly' Ties

OW1206140795 Beijing XINHUA in English
1242 GMT 12 Jun 95

[FBIS Transcribed Text] Pyongyang, June 12 (XINHUA) — The Democratic People's Republic of Korea (DPRK) values the traditional Sino-Korean friendship and sticks to the policy of furthering the friendly relations with China, a senior DPRK official said here today.

Choe Tae-pok, alternate member of the Political Bureau of the Korean Workers' Party, made the remarks in a meeting with a visiting delegation of Chinese Communist Party workers.

The Korean and Chinese peoples have forged a profound revolutionary friendship in the past, Choe said.

Under new circumstances, it conforms to the fundamental interests of both countries to further develop the relations of friendly cooperation between the two peoples and the two parties, he said.

The Korean Workers' Party gives top priority to developing such relations, he added.

The Chinese delegation, headed by Xu Qing, deputy chief of the Chinese Communist Party's Central Com-

mission for Discipline Inspection, arrived here on June 7 on a good-will visit.

Minister Tang Jiaxuan Meets DPRK Vice Premier

OW1306035295 Beijing XINHUA Domestic Service in Chinese 1500 GMT 12 Jun 95

[By reporter Zhu Kechuan (2612 0344 1557)]

[FBIS Translated Text] Pyongyang, 12 Jun (XINHUA) — Kim Yong-nam, vice premier and foreign minister of the DPRK [chao xian 2600 7639] State Administration Council met with Chinese Vice Foreign Minister Tang Jiaxuan here this afternoon.

During the meeting, Kim Yong-nam stressed that further strengthening and developing Korean-Chinese friendship personally founded and nurtured by the leaders of the two countries was a firm and unshakable established policy of the Korean party and government, and the Korean Ministry of Foreign Affairs would spare no effort to this end. In a briefing on the domestic situation of the DPRK, he said: The Korean people are closely united around the Central Committee of the Workers Party of Korea [WPK], with Comrade Kim Chong-il as the core, to continue the work left by Chairman Kim Il-song, and wage a hard struggle to greet the WPK's 50th founding anniversary and the fulfillment of national reunification.

Tang Jiaxuan said: The CPC and the Chinese Government have cherished the traditional friendship between China and the DPRK very much. Under the current complicated and changeable international situation, it is even more important to further strengthen and develop this friendship. Whatever changes may occur in the situation in the international community and on the Korean peninsula, China will steadfastly work for the cause of Sino-Korean friendship, safeguard peace and stability in the Korean Peninsula, and support the DPRK in achieving peaceful reunification with the initiative in its own hands [zhong guo jiang shi zhong bu yu di zhi li yu zhong chao you hao shi ye wei hu chao xian ban dao de he ping yu wen ding zhi chi chao xian shi xian zi zhu he ping tong yi 0022 0948 1412 1193 4807 0008 3254 0966 5268 0050 0060 0022 2600 0645 1170 0057 2814 4850 6233 2600 7639 0584 1497 4104 0735 1527 5280 4489 1353 2388 2170 2600 7639 1395 3807 5261 0031 0735 1627 4827 0001].

Tang Jiaxuan relayed to Kim Yong-nam Chinese Vice Premier and Foreign Minister Qian Qichen's greetings, and Kim Yong-nam also asked Tang Jiaxuan to relay his warm greetings to Qian Qichen.

Chinese Ambassador to the DPRK Qiao Zonghuai was present at the meeting.

Tang Jiaxuan is leading a goodwill delegation of the Ministry of Foreign Affairs to visit at the invitation of the DPRK, and in light of the program of exchanges between ministries of foreign affairs of the two countries. During his visit, Tang Jiaxuan has had a thorough and frank exchange of views on issues about further developing Sino-Korean relations with DPRK Vice Foreign Minister Choe U-chin in a friendly atmosphere. Both sides agreed to strengthen friendly cooperation and exchanges between the ministries of foreign affairs of the two countries.

East Europe

NPC Delegation Concludes Visit to Poland

OW1106140395 Beijing XINHUA Domestic Service
in Chinese 0443 GMT 7 Jun 95

[By reporter Wang Defeng (3769 1795 7685)]

[FBIS Translated Text] Warsaw, 6 Jun (XINHUA) — The National People's Congress [NPC] Foreign Affairs Committee delegation led by Zhu Liang, member of the NPC Standing Committee and chairman of NPC's Foreign Affairs Committee, concluded its official friendly visit to Poland and left for China this afternoon.

At the invitation of the Foreign Affairs Committee of the Polish Parliament, the NPC Foreign Affairs Committee delegation arrived in Warsaw on 1 June. Polish Parliamentary Speaker Struzik and Prime Minister Oleksy separately met with the delegation members on the afternoon of 5 June. During the meetings, both sides expressed the wish to develop bilateral friendly relations. Prime Minister Oleksy said, "China is one of Poland's most important partners in the Asia-Pacific region and Poland attaches special importance to developing economic relations with it."

During their visit, Zhu Liang and his party held talks with Foreign Affairs Committee members of the Polish Senate and National Assembly on issues of common concern, especially on further developing the NPC's relations with Polish parliament and on economic and trade ties between the two countries.

Qiao Shi Meets With Romanian Prosecutor General

OW1206132895 Beijing XINHUA in English
1258 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — Qiao Shi, chairman of the Chinese National People's Congress Standing Committee, said today that the country's construction can not go smoothly without fighting against corruption.

He also stressed the fact that supervision by the people plays an important role in the anti-corruption struggle.

Qiao made the remark when meeting with a delegation headed by Vasile Manea Dragulin, prosecutor-general of Romania, here this afternoon.

Dragulin said that his country also attaches much importance to the issue of anti-corruption and will send a delegation to the Seventh International Anti-Corruption Conference, which will be held in October in Beijing.

Qiao expressed his belief that Sino-Romanian ties will be further enhanced on the basis of the Five Principles of Peaceful Co-Existence, which has been proved to be correct in the past few decades.

Sharing Qiao's view, Dragulin said that it is of significance to maintain and promote the two countries' friendly and co-operative ties.

Dragulin and his party arrived here yesterday as guests of Chinese Prosecutor-General Zhang Siqing.

Zhang met with Dragulin at noon today.

Slovak Procurator General Visits Beijing

Meets Counterpart Zhang Siqing

OW1206133895 Beijing XINHUA in English
1252 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — Zhang Siqing, procurator-general of China's Supreme People's Procuratorate, met with his Slovak counterpart Michal Valo and other guests and hosted a dinner in their honor here this evening.

Valo and his party are in China for a good-will visit as guests of Zhang.

Meets NPC Vice Chairman

OW1306093695 Beijing XINHUA in English
0859 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Chen Muhua, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Slovak Procurator-General Michal Valo and his party here today.

The Slovak visitors are here as guests of Zhang Siqing, procurator-general of China's Supreme People's Procuratorate.

NPC Vice Chairman Meets Slovene Delegation

OW1306095595 Beijing XINHUA in English
0903 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Wang Guangying, vice-chairman of China's National

People's Congress (NPC) Standing Committee, met with a delegation from the Committee of International Relations of Slovenia's National Assembly, here today.

The Slovenian visitors are here as guests of the NPC Foreign Affairs Committee.

Latin America & Caribbean

Chi Haotian Meets Bolivian Armed Forces Chief

*OWI206140395 Beijing XINHUA in English
1251 GMT 12 Jun 95*

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — Chinese State Councillor and Defense Minister Chi Haotian met with General Jose Fernando Perez Reyes, chief of the General Staff of the Bolivian Armed Forces, here today.

They voiced their satisfaction over the exchanges and cooperation between the armed forces of the two countries in recent years and had a friendly talk on promoting the relations between the two armies and on other issues of common concern.

Perez told Chi that the Bolivian government adheres to "One China" policy, which is firmly supported by the country's armed forces.

Chi expressed his appreciation of the stance pursued by the Bolivian government on the Taiwan issue.

Perez and his party arrived here yesterday for an official good-will visit to China as guests of the Headquarters of the General Staff of the Chinese People's Liberation Army.

Zhang Wannian Meets Cuba's Air Force Commander

*OWI206124395 Beijing XINHUA in English
1116 GMT 12 Jun 95*

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), met here this afternoon with Ruben Martinez Puentes, commander of the Air Force and Air Defense of Cuba, and they exchanged views on issues of common concern.

Deputy chief of the General Staff of the PLA Li Jing hosted a dinner here this evening in honor of the Cuban visitors who arrived here June 10 as guest of Yu Zhenwu commander of the PLA's Air Force.

Chairman Li Ruihuan Arrives in Cuba

Begins Goodwill Visit

*OWI206235595 Beijing XINHUA Domestic Service
in Chinese 1717 GMT 12 Jun 95*

[FBIS Translated Text] 12 Jun, Havana (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], arrived here today and started a four-day official goodwill visit to Cuba at the invitation of the Cuban National Assembly of People's Power.

Li Ruihuan and his entourage received a warm welcome by Ricardo Alarcon, president of the Cuban National Assembly of People's Power; other Cuban leaders; and Chinese Ambassador to Cuba Xu Yicong at Havana International Airport.

Li Ruihuan issued a written statement at the airport. He said, "The peoples of China and Cuba have maintained traditional friendship and long-time exchanges in history. The Chinese people have cherished this friendship very much. My visit to your country is aimed at promoting exchanges, deepening understanding, increasing interflow and cooperation, and stimulating mutually beneficial development. I hope my visit will be conducive to further deepening the understanding and friendship between the two countries and their peoples, as well as promoting the consolidation and development of friendly and cooperative relations between China and Cuba.

Li Ruihuan said, "During my visit, I will exchange views with leaders of your country on issues of common interest and we will brief each other on the situations in our respective countries and our experiences in construction. I will also study and learn from Cuba's achievements in various aspects."

This is the first visit by a chairman of the Chinese CPPCC National Committee to Latin America, and it will be of important significance in enhancing Latin American countries' understanding of China; promoting the development of China's relations with Latin American countries; and further improving the friendly and cooperative relations between China and Latin America in political, economic, trade, scientific, technological, cultural, and other fields.

Cuba is the first leg of Li Ruihuan's four-nation Latin American tour. After visiting Cuba, Li Ruihuan will pay formal goodwill visits to Jamaica, Brazil, and Chile from 15 to 28 June.

Emphasizes Cooperation

OW1206175695 Beijing XINHUA in English
1737 GMT 12 Jun 95

[FBIS Transcribed Text] Havana, June 12 (XINHUA) — Li Ruihuan, Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), arrived here today for a four-day official goodwill visit to Cuba, the first leg of his four-nation Latin American tour.

Li's Latin American tour, the first ever by a CPPCC chairman since the founding of the People's Republic of China in 1949, will also take him to Jamaica, Brazil and Chile.

In a written statement issued at the airport, Li said that his visit to Cuba is aimed at promoting exchanges of high-level visits between China and Cuba, deepening mutual understanding, increasing interflow and cooperation, and stimulating mutually beneficial development.

Li expressed his hope that his current visit would help deepen further the understanding and friendship between China and Cuba and the peoples of the two countries, and promote the consolidation and development of the friendly and cooperative relations between the two countries.

During his stay here, Li is expected to meet Cuban government and parliament leaders to discuss bilateral relations and other issues.

Li is scheduled to leave Havana for Kingston on June 15.

Meets National Assembly Head

OW1306084395 Beijing XINHUA Domestic Service
in Chinese 0445 GMT 13 Jun 95

[By reporter Chen Hegao (7115 7729 7559) and Hou Yaoqi (0186 5069 0366)]

[FBIS Translated Text] Havana, 12 Jun (XINHUA) — On 12 June, Li Ruihuan, National Committee of the Chinese People's Political Consultative Conference [CPPCC] chairman, met with Ricardo Alarcon, Cuban National Assembly of the People's Government [CNAPG] president. The host and the guest highly praised the Sino-Cuban friendship and expressed their common wish to further develop the two countries' relations.

Li Ruihuan said, "This is the first time I am visiting Latin American countries as CPPCC chairman. I am very delighted to visit beautiful and richly endowed Cuba as the first leg of my trip, and to make the acquaintances of President Alarcon and other Cuban leaders."

Li Ruihuan said: Cuba was the first Latin American country to establish diplomatic relations with China. The Chinese Government and people highly cherish Sino-Cuban friendly relations, and greatly admire the achievements made by the Cuban people in seeking ways to develop their nation. He expressed the belief that the Cuban people, under President Castro's leadership, would surely overcome difficulties in the course of development and score new and greater victories.

He said: In recent year, especially since President Jiang Zemin's visit to Cuba in November 1993, China and Cuba have further consolidated and comprehensively developed their friendly relations and cooperation in all areas through bilateral joint efforts. Exchanges of high-level visits between the two sides have increased; mutual understanding has deepened; and the two countries' cooperation and exchanges in economic, trade, scientific, technological, and cultural fields have constantly expanded and yielded gratifying results. In international affairs, the two sides have cooperated closely and supported each other. There are broad prospects for cooperation between China and Cuba. China is willing to work to further strengthen the two countries' friendly relations and cooperation in various fields on the basis of the Five Principles of Peaceful Coexistence.

Alarcon first warmly welcomed Li Ruihuan on his visit. He said: Chairman Li Ruihuan's visit is a major event in Cuba-China relations, and marks an important step forward in developing the two countries' relations. The Cuban people have followed China's development with keen interest, and admire the achievements made by the Chinese people in economic construction.

He said: These achievements are a great encouragement to people in developing countries. He expressed the belief that Chairman Li's visit would surely promote the further development of the two countries' relations.

During their meeting, the host and the guest gave briefings on their countries' situation, the organizational forms of the CPPCC and the CNAPG, and the organizations' influences and roles in state affairs.

Chairman Li Ruihuan conveyed Qiao Shi's regards, Chinese National People's Congress Standing Committee chairman, to President Alarcon, who expressed his thanks and asked Li Ruihuan to send his regards to Qiao Shi.

Alarcon hosted a reception tonight to welcome Chairman Li Ruihuan and his entourage.

Further on Meeting

OW1306061495 *Beijing XINHUA in English*
0518 GMT 13 Jun 95

[FBIS Transcribed Text] Havana, June 12 (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), and Ricardo Alarcon, president of the Cuban National Assembly of People's Power, today expressed their willingness further to develop the friendly cooperation between the two countries.

During their meeting here this afternoon, the visiting CPPCC chairman said that the Chinese government and people cherish the friendship between the two countries and appreciate the achievements made by the Cuban people under the leadership of President Fidel Castro Ruz in seeking ways of development.

Li said that he believes that the Cuban people would overcome difficulties in the course of their economic development and make greater progress.

Since Chinese President Jiang Zemin's visit to Cuba in November 1993, exchanges of high-level visits between the two countries have increased, cooperation and interflow in economy, trade, science and technology and culture have been expanded, and mutual understanding has been deepened, Li said.

He said that the two countries also have cooperated well and supported each other in dealing with international affairs.

Li said that China will make further efforts to promote such cooperative relations with Cuba on the basis of the five principles of peaceful co-existence.

Alarcon described Li's current visit to Cuba as important and said he believes that Li's visit would stimulate China's relationship with his country.

Li arrived here earlier today on a four-day official goodwill visit. His visit, the first ever by a CPPCC chairman since the founding of the People's Republic of China in 1949, will also take him to Jamaica, Brazil and Chile.

During his stay here, Li is expected to meet Cuban government and parliament leaders to discuss bilateral relations and other issues.

Li is scheduled to leave Havana for Kingston on June 15.

Li, Castro View Independence

OW1306065895 *Beijing XINHUA in English*
0637 GMT 13 Jun 95

[FBIS Transcribed Text] Havana, June 12 (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and Cuban Council of State President Fidel Castro Ruz exchanged views here today on national independence and state sovereignty.

During their meeting here tonight, Li said that any state leader who holds himself responsible to the history, to the state, to his people, to his ancestors and descendants will put the defense of the national independence and state sovereignty as his first priority.

And any nation which wishes to get along well with other countries, wishes to acquire a better understanding by the others and wishes to win the respect of the international community, must undertake its diplomacy with respect of the other's independence and sovereignty, he said.

Li said that people of each country have the right to choose independently their own social system and their path for development.

The Chinese and Cuban people have suffered foreign aggression and foreign interference and therefore they cherish their national independence and state sovereignty which they won with blood and lives, he said.

Castro said that every nation has its right to choose its social system and path for development, and without the respect for others' independence and sovereignty, there would be no tranquility in the world.

The Cuban leader said that Cuba attaches great importance to the development of its relations with China.

The two also discussed other issues of common interests.

Li arrived here this afternoon for a four-day official visit to Cuba. This is the first visit to Latin America by a CPPCC chairman since the People's Republic of China was founded in 1949.

Political & Social

Zhu Rongji Speaks on Party Building

OW1206144895 Beijing XINHUA Domestic Service
in Chinese 1256 GMT 6 Jun 95

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and reporter Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Beijing, 6 Jun (XINHUA) — Giving a lecture to leading party cadres at the departmental level in organs under the CPC Central Committee and Central Government organs at Zhongnanhai's Huaren Hall on 5 June, Vice Premier Zhu Rongji, who is also a Standing Committee member of the CPC Central Committee Political Bureau, emphasized that party building must be closely linked to the party's basic line with the focus on economic construction. He urged leading party cadres, particularly senior cadres, to firmly foster an overall concept and conscientiously implement democratic centralism to guarantee smooth implementation of major central policies and principles.

Zhu Rongji pointed out: In linking the party's basic line to party building, we should, first of all, take economic construction as a central point to unfold party building which, once strengthened, will in turn promote economic construction. He said that from the time when the Third Plenary Session of the 11th CPC Central Committee decided to shift the entire party work focus to economic construction, the guiding principle of taking economic construction as the central point in party building has been endorsed. In 1982 Comrade Deng Xiaoping further emphasized a fast, resolute shift of work focus to economic construction. We have been trying to do this for the past 16 years and have had many experiences worth summing up. First is the all-round, correct implementation of the guideline of "development is the final word." We need not only a speedier economic development, but also a sustained and healthy one. We have been continuously exploring for a balance over the last dozen years. Practice has proven that we must seize the opportunity to accelerate development and that the unilateral pursuit of speed without efficiency will only end in more haste and less speed. Second, in economic construction, agriculture is the foundation and scientific and technological education is the key. The agricultural base must be solid enough to ensure a successful national economy. While food is more important than construction, knowledge and qualified people are essential to construction. Third, as state-owned enterprises are pillars of the national economy, it is necessary to revitalize them and enhance their efficiency through deepening reform and changing mechanisms.

He said: Currently, China's economic situation has been functioning well; however, the hidden pressure of inflation should not be underestimated. The agricultural situation has been fine, with a bumper grain harvest in sight. Problems needing solution remain quite substantial. Although progress has been made year after year in reforming state-owned enterprises, tasks remain arduous. Various tasks related to current party building should be geared to solving these problems to create a favorable situation.

Zhu Rongji said: Economic development and the establishment of a socialist market economic system require the strengthening and improvement of the party's leadership. To this end, we must respect objective laws and manage the economy primarily through economic means. We cannot replace enterprise management with party and government administration, and make no distinction between government and enterprise functions. In exercising management over economic work, party committees and governments should primarily offer ideas and hire cadres. They should, in particular, provide enterprises with strong leading bodies to ensure the implementation of the party's line, principles, and policy decisions. Moreover, they should grasp two links at the same time and pay equal attention to both.

He emphasized: Many areas of economic work are not merely policy issues but also political and legal issues. The socialist market economy cannot be free of macroeconomic regulation and control. To tighten such regulation and control, we need some degree of centralization and unification, and should firmly safeguard the central authority to ensure the smooth implementation of policies and decrees. The establishment of a socialist market economic system requires the entire party to uphold and improve democratic centralism, to render the policy-making process more democratic and scientific, and to strengthen grass-roots party organizations in order to ensure the smooth implementation of the party's principles and policies.

Zhu Rongji pointed out: During the process of building a socialist market economy, we need to vigorously promote honesty and diligence among government workers, and carry out an in-depth struggle against corruption. After enumerating current corrupt practices, he said: The party Central Committee with Comrade Jiang Zemin as the core is firmly determined to combat corruption and promote honesty, and its resolve will not waver in the slightest. The entire party must further improve its understanding and unify its thinking on this fact. We should firmly overcome obstacles and intensify our efforts to punish, in accordance with the law, corrupt elements who violate the criminal law. Moreover, we should educate Communist Party members, especially

leading cadres, on Marxist views on the world and life and on communist morality. And we should educate cadres and workers on vocational ethics that call for serving the people.

In closing, Zhu Rongji said: Under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, we will surely keep achieving new results in party building and economic construction.

The party lecture was jointly organized and conducted by the CPC Central Committee's Organization Department, work committee for party organs, and Work Committee for Government Organs with the party Central Committee's consent. Luo Gan, state councillor, State Council secretary general, and Central Work Committee for Government Organs secretary, chaired the lecture.

At the end of the lecture, Luo Gan said: Currently, departments under central party and government organs are carrying out activities aimed at studying the theory on building socialism with Chinese characteristics and the party constitution in a planned and step-by-step manner among all party members in accordance with the decision of the Fourth Plenary Session of the 14th CPC Central Committee. It is of great significance that we invite central leading comrades to give lectures if we are to deepen the current study activity, and to encourage leading cadres with party membership to take the initiative in studying theory, in strengthening ideological and political construction, in better implementing the party's principle of democratic centralism, and in enhancing party spirit.

A total of 1,100 people attended the lecture. They included leading cadres with party membership at or above the vice-ministerial level from central party and government organs, as well as relevant leading cadres from the three People's Liberation Army general departments, the People's Armed Police, and Beijing Municipality.

Chen Junsheng on Plan To Help Impoverished Areas

OW1206120095 Beijing XINHUA Domestic Service in Chinese 1343 GMT 6 Jun 95

[By RENMIN RIBAO reporter Xia Jun (1115 8823) and reporter Wang Yanbin (3769 6056 1755)]

[FBIS Translated Text] Beijing, 6 Jun (XINHUA) — One year after the State Council formulated and implemented the "Key State Plan for Feeding and Clothing 80 Million Poor People in the PRC in the Last Seven Years of the 20th Century," we have fed and clothed 10 million more people who once lived in absolute poverty in the country. The State Council

called upon us to help impoverished areas develop their economies at the rate of feeding and clothing more than 10 million poor people annually, starting this year.

Chen Junsheng, State Councillor and head of the State Council's Leading Group for the Economic Development of Impoverished Areas, addressed a national conference on the economic development of impoverished areas which opened today. He said: The State Statistical Bureau's latest report shows that, nationwide, the number of rural people who have not been fed and clothed and who live in absolute poverty is clearly decreasing. It has decreased by 10 million people, from 80 million in 1992 to 70 million in 1994. The proportion of poor people to the total population in the country's rural areas has dropped from 8.8 percent to 7.8 percent.

According to the general demand of the "Key State Plan for Feeding and Clothing 80 Million Poor People in the PRC in the Last Seven Years of the 20th Century," we should basically feed and clothe 80 million people who live in absolute poverty nationwide in seven years' time, from 1994 to 2000. Statistics from the relevant state department showed that 592 impoverished counties which received key state support in 1994 now have 9.96 million mu more basic farmland and 13.71 million mu more cash-generating orchards and forests; drinking water for 6.8 million heads of livestock and 7.18 million people has been provided; over 20,000 km of highways have been repaired; and over 30,000 km of power transmission lines have been erected.

Chen Junsheng said emphatically: These achievements are the fruits of hard work by the vast numbers of cadres and people in impoverished regions. They resulted from the concerted effort to tackle thorny problems by central and local authorities, by governments and people, by poor and developed regions, by people in this country and overseas people, and by all social strata and quarters.

Chen Junsheng said: The task of attaining the strategic objective set in the "Key State Plan for Feeding and Clothing 80 Million Poor People in the PRC in the Last Seven Years of the 20th Century" according to schedule is quite formidable, and we are hard pressed for time. We should not show any slackening in our efforts. We must abide by the arrangements made by the party Central Committee and State Council, and complete according to schedule the "Key State Plan for Feeding and Clothing 80 Million Poor People in the PRC in the Last Seven Years of the 20th Century."

At the meeting, Chen Junsheng specifically emphasized the State Council's demand: Beginning this year, we must move at the speed of feeding and clothing

more than 10 million poor people annually to promote economic development in impoverished areas. All provinces and autonomous regions should meet this annual demand — that of readjusting existing plans, formulating new programs, and intensifying work to annually feed and clothe more than 15 percent of the total number of poor people in a certain year. We must hold fast to our faith. With the party Central Committee and State Council's close attention, with the strong desire to escape poverty and attain moderate prosperity and hard work of cadres and masses in impoverished regions, and with the entire society's help and international community's support, we will complete the "Key State Plan for Feeding and Clothing 80 Million Poor People in the PRC in the Last Seven Years of the 20th Century" on time as long as we mobilize the entire society, are determined, and work doubly hard.

On behalf of the State Council, Chen Junsheng made specific arrangements and demands on effectively managing and utilizing funds to help impoverished regions, exhausting all means to reap benefits using the funds, and comprehensively intensifying work to promote economic development in impoverished areas.

Forum Marks Publication of Chen Yun Works, Album

OW1306105295 Beijing XINHUA Domestic Service in Chinese 0759 GMT 13 Jun 95

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391), RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251), and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[FBIS Translated Excerpt] Beijing, 13 Jun (XINHUA) — The CPC Central Committee held a forum at the Great Hall of the People this morning to mark the publication and distribution of the *Selected Works of Chen Yun* (Volumes 1-3) and the picture album "Chen Yun" as well as to commemorate Comrade Chen Yun's 90th birth anniversary, cherishing his brilliant contributions and immortal exemplary deeds and expressing admiration and respect for him. Jiang Zemin, general secretary of the CPC Central Committee, president, and chairman of the Central Military Commission, made an important speech at the forum. [passage omitted]

Collected in the supplemented and revised edition of the *Selected Works of Chen Yun* (Volumes 1-3) are 190 major articles, more than 700,000 characters, by the author during the various historical periods of the new democratic revolution, socialist revolution, and socialist construction; and they represent a fairly comprehensive selection of Comrade Chen Yun's works. The *Selected Works of Chen Yun* (Volumes 1-3) have been published

by the People's Publishing House and distributed by Xinhua bookstores nationwide beginning today. The large picture album "Chen Yun," published by the Central Party Literature Research Center, the XINHUA editorial department, and the Central Party Literature Publishing House, contains about 500 rare pictures of Comrade Chen Yun as well as several copies of his original handwritings.

Party and state leaders Li Peng, Qiao Shi, Zhu Rongji, Liu Huqing, and Rong Yiren attended the forum, which was chaired by Hu Jintao, Political Bureau Standing Committee and Secretariat member of the CPC Central Committee. At the forum, Yuan Baohua read a speech on behalf of Xue Muqiao, Wu Bo, Shen Hong, and Chai Shufan; and Zhang Quanjing and Hu Sheng also spoke. They recalled Comrade Chen Yun working at different posts in various historical periods, cherishing the memory of his great glorious life, and expressing profound sentiments for him.

Also attending the forum were Ding Guangen, Li Tieying, Wu Bangguo, Jiang Chunyun, Wei Jianxing, Song Ping, Song Renqiong, Zhang Zhen, Ren Jianxin, Ni Zhifu, Wang Bingqian, Wang Guangying, Buhe, Wu Jieping, Chi Haotian, Song Jian, Luo Gan, Seypidin Aze, Wang Shoudao, Li Desheng, Wang Fang, Yang Yichen, Ma Wenrui, and Deng Liqun; as well as Comrade Chen Yun's wife Yu Ruoshui and other relatives; seniors of the central relevant departments; and experts and scholars attending a seminar on Chen Yun's life and ideas.

Rules on CPPCC Special Committees Adopted

OW1206121695 Beijing XINHUA Domestic Service in Chinese 0832 GMT 6 Jun 95

[FBIS Translated Text] Beijing, 6 Jun (XINHUA) — General Rules of the Special Committees of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]

(Adopted at the 13th Session of the Standing Committee of the Eighth CPPCC National Committee on 5 June 1995)

Chapter One General Principles

Article 1. The CPPCC National Committee may set up a number of specialized committees in pursuance with Article 38 of the Constitution of the CPPCC.

Article 2. The formation and modification of the special committees are decided by the Standing Committee.

Article 3. The special committees are working bodies under the leadership of the Standing Committee and

chairmanship [zhu xi 0031 1598] meetings. The day-to-day operations are presided over by the chairman [zhu ren 0031 0117] or a vice chairman designated by the chairman, with the secretary general in charge of coordination.

Article 4. The special committees shall take the theory of building socialism with Chinese characteristics as their guidance, uphold the basic line on the primary stage of socialism, implement the policy of "long-term coexistence and mutual supervision and of treating each other with all sincerity and sharing weal and woe," and earnestly fulfill the CPPCC's functions.

Article 5. The work of the special committees is a constituent part of CPPCC work. The special committees shall — in accordance with the requirements of the CPPCC constitution and the tasks set by plenary sessions of the National Committee and the Standing Committee meetings — unite and maintain close ties with committee members and people of all nationalities and quarters in studying and publicizing state principles and policy and make positive efforts in reflecting social conditions and the people's feelings; conduct investigation and research on major state policy and key issues in state affairs and in economic, cultural, and social activities, submit suggestions, proposals, or motions, and help advance reform and opening up to the outside world and the progress of socialist material and spiritual civilization; safeguard social stability and national unity, promote peaceful reunification of the motherland, and enhance friendly exchanges and cooperation with people of all countries; and organize all kinds of activities to keep committee members well posted and create the conditions for them to make contributions and fulfill their responsibilities.

Chapter Two Organization

Article 6. The special committees are composed of members of the CPPCC National Committee in pursuance with the principles of helping maintain close ties with people of all circles, facilitating the execution of regular activities, and voluntary participation, consultation, and overall consideration.

Article 7. The special committee has one chairman [zhu ren 0031 0117] and several vice chairmen and members. The chairman [zhu ren 0031 0117] and vice chairmen are decided by the Standing Committee and members are decided by the chairmanship [zhu xi 0031 1598] meeting.

The motions committee shall be formed in accordance with provisions of the Regulations Governing Motions.

Article 8. The special committees may set up subgroups as needed to carry out activities.

Article 9. Members of the CPPCC not belonging to any special committee may establish ties with a committee of his choice. The special committee concerned shall employ appropriate means to bring into play their role.

Chapter Three Rules of Operation

Article 10. The special committees shall practice socialist democracy and conduct thorough consultation on their activities. Where decisions on operations have to be made, the special committees shall follow the principle of democratic centralism.

Article 11. Where the need arises, the chairman [zhu xi 0031 1598] or a vice chairman or the secretary general designated by the chairman may convene a joint meeting of chairmen [zhu ren 0031 0117] to discuss and study important special committee issues.

Article 12. Documents drafted in the name of a special committee shall be discussed by the special committee or the chairmanship [zhu ren 0031 0117] meeting and signed by the special committee chairman or a vice chairman designated by the chairman; issues of importance may be submitted to the chairmanship [zhu xi 0031 1598] meetings or the Standing Committee for examination.

Documents of a special committee to be issued in the name of the General Office of the CPPCC National Committee shall be signed by the secretary general or the vice secretary general concerned.

Article 13. The special committees shall draw up their annual plans in accordance with the guidelines of the resolutions adopted at plenary sessions of the National Committee and its Standing Committee. They shall submit reports on their work to the Standing Committee and the plenary sessions of the National Committee at the end of the year.

Article 14. The special committees shall take the initiative in communicating with and establishing contact with the CPC Central Committee, the Standing Committee of the National People's Congress, the relevant departments of the State Council, the democratic parties, relevant public organizations, and relevant departments of local CPPCC committees.

Chapter Four Administrative Office

Article 15. The CPPCC National Committee shall — in line with the principle of simplification, uniformity and efficiency — set up appropriate administrative offices serving the special committees.

Chapter Five Supplementary Provisions

Article 16. These general rules shall go into effect as of the promulgation date. The right to interpret and amend these regulations resides in the Standing Committee.

Hong Kong, Taiwan Students Banned From Schools

HK1306065995 *Hong Kong EASTERN EXPRESS*
in English 13 Jun 95 p 1

[By Bruce Gilley]

[FBIS Transcribed Text] Beijing's international business community was reeling last night after the Chinese government ordered Hong Kong and Taiwan high school students, who do not hold foreign passports, to leave foreign schools and join the local system because they are classed as Chinese.

The announcement, which was relayed to parents by hand-delivered letters in the afternoon, will affect close to 200 pupils who were expected to enroll this autumn.

Personnel managers of some multinational companies in Beijing said the move could devastate their pool of available staff. Many of the affected children cannot speak Chinese. "There has been a lot of innuendo from the authorities in recent months, but we never thought it would come to such a traumatic head," David Eaton, a director of the Beijing International School said last night. "People are very upset. We have been told by several companies that their staff from Hong Kong and Taiwan will want to leave Beijing." Only those Hong Kong and Taiwan students holding foreign passports will be allowed to stay in the international schools.

The city education authorities informed all foreign schools last Friday of the decision, which is believed to have come — from the central government. "We had a sense that the Beijing authorities did it with some hesitancy," Eaton said. This suggested the same rule may soon apply in other Chinese cities.

Eaton said 43 children expected to enroll in his school for the coming term would be barred under the new rule. The school would lose revenues of about US\$500,000 (HK\$3.9m) as a result. Even more students are thought to be affected at the capital's two other large English-language foreign schools, the Western Academy and the Singapore Beijing International School. Officials from the two schools were unavailable for comment last night.

Hong Kong and Taiwan students have also been barred under the new rule from attending the Number 55 Middle School, a local school designated as open to foreigners. "The parents will doubt that the quality of their children's education can be maintained," Eaton

said. "It's already hard enough trying to get them into the good local schools," he said.

Beijing considers ethnic Chinese in Hong Kong and Taiwan to be citizens of China. A new law passed in April forbids Chinese citizens from attending foreign-run schools. At the time, it was thought to apply only to mainland citizens. The Communist Party General Secretary, Jiang Zemin, has made patriotism and the reunification of the "motherland" a key theme of his reign.

Eaton noted that the foreign schools, which exist with a precarious legal and political status in China, would refrain from protesting at the directive. "We will only be making our views known (to the government) and will support the parents if they want to investigate it to as high a level as possible," he said.

The likelihood of having currently enrolled students exempted from the decision was slim, he said. Overturning it looked impossible. The authorities have already rejected three Hong Kong and Taiwan students we requested to enroll in the past week," he said. "It seems the decision is final."

IBM, AT&T and Hewlett-Packard are among US companies which offer enrollment at a foreign school for the children of expatriate staff in Beijing. The companies are understood to be outraged at the decision. "It has wide-ranging implications for their business in China," a management consultant in Hong Kong said last night. "It could make things impossible."

The effects on the education of many students would be severe, Brian Atkins, a high school principal at the Beijing International School, said. "This is not anything we wanted to happen," he said. "Many of these kids do not know any Chinese, so sending them to a local school is not really a viable option," he said. One Taiwan student who had just begun the International Baccalaureate programme at the school would have to stop or leave the country, he said. "Most of the Hong Kong students have parents who had the foresight to get British or Canadian passports. But the rest are stuck," Atkins added.

Shenzhen Newspaper Ordered To Shut Down

HK1306075095 *Hong Kong EASTERN EXPRESS*
in English 13 Jun 95 p 7

[By Bruce Gilley]

[FBIS Transcribed Text] A Shenzhen newspaper is fighting for its life after the country's national press watchdog ordered it shut down this year. An immediate closure has been held off by the paper's sponsoring

central government department, but officials admitted yesterday time may be running out. "We have confirmed that a document (ordering the closure) was issued earlier this year, but it has not been implemented yet," the editor-in-chief of the Open Daily, Liu Shen, said from Shenzhen yesterday. "As long as we can publish, we will," he emphasised.

The newspaper was launched a year ago under the slogan "China needs the Open Daily", but central government propaganda officials apparently beg to differ. The shutdown order is probably related to the paper's drift from a declared focus on the economies of the special economic zones to a better-selling mixture of lifestyles and overseas showbusiness.

Party propaganda chief, Ding Guangen, warned in January that "propaganda work should be closely integrated with arrangements for economic development and reform this year". The State Council's Special Economic Zones Office, which established the Open Daily, has so far managed to prevent the implementation of the order, but Liu said this may not last long.

The order from the State Press and Publications Bureau insists the order must be put into effect this year. "All we know is that there is a faction in the bureau which wants us closed and that they are meeting some resistance," Liu said. "But the special zones office has limited power in these matters," he added.

Liu said the newspaper had never been criticised by party propaganda officials for its contents. The central government had not brayed at paying the bill for the losses it continues to accumulate either. "We really can't be sure about the reasons. There's only a lot of speculation," he said. If the plug is pulled, the Open Daily would be the latest victim of a nationwide attempt to exert stricter controls on the burgeoning number of newspapers in the country which are not directly under a party or government office.

At the end of last year, there were 2,040 officially registered newspapers. Only half of these were under provincial-level or higher party departments. Open Daily is under the nominal local sponsorship of the Nanshan district party committee of Shenzhen, but in practice operates virtually independently.

The Nanshan committee got into hot water last year over articles on urban social unrest printed in another of its stable of publications, Street Magazine. The magazine, sponsored by the Ministry of Civil Affairs, was subsequently given a new editor and its young liberal reporting staff replaced.

With all the uncertainty, Liu admitted the order was having a deleterious effect on morale among the paper's

approximately 90 staff members. "It has led to a lot of talk and a great loss of stability," he said. "Until the order is rescinded, we will live day by day."

'Fine Social Environment' Built in Rural Areas

OW1306090395 Beijing XINHUA in English
0821 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — China is making efforts to build a fine social environment in its rural areas to help promote all undertakings in the modernization drive.

The efforts include education among farmers to enhance their awareness of the importance of law as well as a nationwide crack-down on law violations.

Reports from rural areas of Shaanxi, Hebei, Jilin, Anhui, Hubei and Hunan provinces show that local farmers are now happy about the social environment.

The six provinces, like elsewhere in China, organized big efforts against criminal cases, with the support of local farmers.

Shaanxi Province, in northwest China, has handled 230,000 criminal cases.

A sample survey in southwest China's Yunnan Province showed that 75 percent of the respondents said they have a better sense of law and regulations and are satisfied with the social order in their locality.

New Regulation To Speed Up Civil Service Reform

HK1306080595 Beijing CHINA DAILY in English
13 Jun 95 p 1

[Article by Xu Yang: "Shedding Corrupt Officials 'A Must'"]

[FBIS Transcribed Text] Civil servants in China are expected to soon face a more stringent work environment.

The Ministry of Personnel will speed up civil service reform by drafting a regulation on the firing and resignation of civil servants and by training local officials on reform implementation.

To build an efficient and "clean" government, the dismissal of corrupt and incompetent employees is a must, according to Vice-Minister Zhang Xuezhong.

He said in a news conference yesterday that the proposed regulation clearly defines the conditions and procedures of dismissal.

The document, to be publicized within a few months, also specifies salary and housing treatment of civil servants after they quit or are fired, he said.

Zhang didn't reveal details of the draft.

It is one more civil service reform step this year, after the move to hire through examination.

Next month, 30 departments are to recruit 400 staff through open examinations.

The ministry will also call a national conference next month in Qingdao of Shandong Province to study the issues of dismissal and resignation of civil servants.

Qingdao is known for having dismissed 63 civil servants since 1993.

So far, civil service reform has been implemented in more than 20 ministries and State administrations.

The Ministry of Personnel is moving to introduce the civil servant system at provincial and city levels.

Unlike many other reforms in China, civil service modifications are being made from top to bottom since pilot projects started in early 1989 in six ministries and State administrations.

The Ministry of Personnel and the Organization Department of the Chinese Communist Party Central Committee, which selects and recommends senior officials, will sponsor a training workshop on civil service reform next week.

The two ministries have demanded that vice-governors and vice-mayors in charge of personnel from the 30 provinces, municipalities and autonomous regions and 16 big cities take part in the workshop from June 19 to 26.

They will attend lectures on recruitment, promotion, firing, work evaluation, discipline, training, salary, insurance and welfare for civil servants.

For government employees who are not fully aware of their duties and rights, the ministry will publish a simple pamphlet on the role of a civil servant.

Illegal Immigration Difficult To Control

HK1306080695 *Beijing CHINA DAILY* in English
13 Jun 95 p 1

[Article by Ma Chenguang: "Illegal Border Entries Tough to Control"]

[FBIS Transcribed Text] China is moving to stem a flood of more than 20,000 illegal border entries a year, a security official said in an interview yesterday.

Measures include widely advertising the current aliens' law and timely checks to curb the persistent trend, said Zhu Jianmin, an official from the Ministry of Public Security.

Since the early 1980s, China has seen a growing number of illegal visitors, mostly from neighbouring countries such as Viet Nam, Laos and Cambodia.

They are immigrating into all the 30 provinces, autonomous regions and municipalities in the mainland.

A small number have also come from Africa and developed countries.

"To prevent such illegal immigration is difficult," Zhu admitted.

Attracted by China's rapidly growing economy, they reportedly come in search of a better life or at least cheap commodities. Some come to attempt fraud, hunting rare animals or drug-trafficking, said Zhu, an official with the ministry's Exit Entry Administration Bureau.

A large group of illegal immigrants are women who come into Guangxi and Yunnan in Southwest China to seek marriage with local residents, said Zhu.

Last year, police in Guangxi Zhuang Autonomous Region seized 9,300 illegal immigrants while police in Yunnan found 2,588.

Among the roughly 20,000 illegal immigrants each year, intruders without a proper passport, with a fake one or no passport at all, accounted for nearly 80 percent.

Some turn to crime, Zhu said, noting that in Xinjiang, Inner Mongolia and Ningxia last year, police netted hundreds of Pakistanis who hunted or collected rare animals for sales and high profits abroad.

In Nanjing, capital of Jiangsu Province, police seized two Pakistanis who carried fake passports, and were caught with invalid travellers' checks.

Some try to find work in the big cities, said Zhu, especially in the entertainment sector.

Ever since a failing hotel in Mudanjiang City, Heilongjiang Province, beat bankruptcy by engaging some Russian women as waitresses, a growing number of Chinese followed suit.

That led the government to forbid the "random" employment of Russian women, Zhu said, but some Chinese speculators began to invite overseas performers to stage concerts or dances. Some have also employed foreign women to accompany customers to karaoke rooms.

Foreigners, especially some students in China, sought part-time jobs, said Zhu, adding this is not allowed without approval.

The Public Security Ministry and four other ministries will work on a rule to regulate foreigners' job-taking in China.

With its large population and harsh competition in the labour market, China is resolved to battle illegal intruders, said Zhu.

Rate of Vasectomies Increasing

OW1306084195 *Beijing XINHUA in English*
0811 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Birth control has long been considered the problem of women, but a recent study has shown how outdated the idea is, indicating that Chinese men have taken on more responsibility in family planning.

The study conducted by Liu Yunrong, a senior researcher at the National Research Institute for Family Planning (NRIFP) under the State Family Planning Commission, showed that the number of persons who have had a vasectomy in China is about 23 million, accounting for half of the world's total.

This indicates that the number has increased yearly over the past decade but the rate remains around 11 percent, meaning that the rate of vasectomies is keeping pace with the increase in the number of reproductive couples.

The use of condoms, another male method, had a rate of 3.4 percent in 1994, which was only one percentage point higher than ten years ago.

The experts involved believe that male participation in birth control in China is on a par with, or even higher than, the world's average.

But, Liu pointed out, the development of men's involvement in family planning is uneven in China due to economic, political, and geographical reasons.

As a result, the average prevalence of vasectomies in urban areas is only around two percent though the national average has reached 11 percent, he said, and the rate in southwest China's Sichuan, the most populous province in China, is as high as 30 percent, while in northeast China's Jilin Province it is less than one per ten thousand.

The average prevalence of condom use in urban areas is five percent while in rural areas it remains as low as six per thousand, he said, noting that in Beijing, Tianjin and Shanghai the use of condoms has reached 12 percent, while the average rate in other provinces and autonomous regions is only about three percent.

To discover the main factors for men's involvement in family planning, the NRIFP and local research institutes in Sichuan, Jilin and Yunnan carried out a qualitative study in 1993 and 1994, which was jointly sponsored and funded by the State Family Planning Commission and the U.S. Ford Foundation.

According to the study, decisions by local governments have a great bearing on the degree and method of male participation. The high degree of prevalence in Sichuan was attributed to the greater effort the local government has made to disseminate information, techniques and services.

Since local governments in the three provinces have focused their efforts on long-term contraceptive methods, the prevalence of condoms is very low, Professor Liu said.

Many people believe also that a vasectomy may have a negative effect on work and sexual life, but in fact, a vasectomy is very simple and reliable, he explained.

Liu urged the holding of more seminars for decision-makers to improve their knowledge and awareness and the opening of more courses on vasectomy techniques for technicians. He also called for greater efforts in improving the quality of service and publicizing male methods so as to promote male participation in birth control.

*Article Views Limits of Differences in Socialism

95CM0282A *Beijing ZHENLI DE ZHUIQIU*
[PURSUIT OF TRUTH] in Chinese 11 Apr 95
No 4, pp 13-16

[Article by Zhou Xincheng (0719 2450 1004): "Common Character, Particularity of Socialism"]

[FBIS Translated Text] To correct understand the common character and the particularity of socialism is of great significance in understanding what socialism is and how to develop it. Seeking to develop socialism with Chinese characteristics is to integrate the essential characteristics with the specific methods and ways to manifest such characteristics under Chinese conditions.

The common character of socialism is precisely the essential characteristic of the socialist system. I believe that a socialist essential characteristic must have the following conditions:

1. It should be determined within the socialist system itself. It should not be something which the people have subjectively vested upon it or wilfully added.
2. It should be something most essential in distinguishing the socialist system from other social systems, particularly the capitalist system.
3. It should be something which exists within socialist systems universally and from beginning to end. In other words, it should be something that all socialist countries possess in developing socialism throughout the different stages. If some characteristics are only typical in a

certain stage in developing socialism, they cannot be considered as the essential characteristics of the socialist system or the common character of socialism. They can only be considered as the particularities of socialism in a certain country or at a certain stage.

On this basis of this kind of knowledge, what should be the essential characteristics of socialism? Marx, Engels, Lenin, Stalin, and Mao Zedong made many expositions on this question. However, they can be simply, clearly, and accurately epitomized by Comrade Deng Xiaoping's four cardinal principles. The four cardinal principles manifest the essential characteristics which socialism must possess to distinguish the socialist system from the capitalist system in terms of quality. To adhere to the four cardinal principles, politically we must be led by a proletarian party—a communist party. Economically we must establish a system of public ownership of all means of production, implement the principle of distribution according to work, uproot the exploiting class, abolish polarization, achieve higher labor productivity than capitalism, and gradually realize common prosperity. Ideologically we must adopt the proletarian world outlook and Marxism-Leninism as a guide.

The four cardinal principles are essential characteristics of socialism. This is not our subjective imagination, but a conclusion which we inevitably derive from the logic of historic development. Lenin had pointed out: "Communism is generated from capitalism. It is something historically developed from capitalism. It is the result of the effect of the kind of social strength produced by capitalists." (*Collected Works of Lenin*, second Chinese ed., Vol 31, p 81) Facts have shown that following the development of capitalism, the division of labor in society has become more and more elaborate, economic links closer and closer and production more and more of a social nature. Productive forces of this nature objectively demand that the society seize the means of production and regulate the entire national economy. However, the bourgeois ownership system of means of production prevents this kind of objective demand from being fulfilled. As a result, the contradiction between socialization of production and the private appropriation of capital becomes the fundamental contradiction of capitalism. The only way to solve this contradiction is to use the public ownership system of the means of production to replace the capitalist private ownership system. Then we must establish the public ownership system and "divest the depriver of his power." Naturally this will touch off the desperate resistance of the bourgeoisie. Thus the proletariat, which represents the outstanding productive forces, must overthrow the bourgeois regime under

the leadership of a communist party and exercise the dictatorship of the proletariat. The establishment of the public ownership of the means of production destroys the economic base of exploitation of man by man. Then it is possible and also necessary to implement the principle of distribution according to work and guard against polarization. Then it will be possible to emancipate and develop the productive forces and gradually realize common prosperity. However, all this can only be achieved under the guidance of the proletarian world outlook and Marxism-Leninism. From this, we can see that as the essential characteristics of socialism, the four cardinal principles form an integrated system. It represent the law of social development. It is of historic necessity.

The four cardinal principles are not only the products of China's particular conditions, they also reflect the common character of socialism. Therefore, all socialist countries must firmly adhere to them under any condition. Thus, we have reason to say that upholding the four cardinal principles means upholding socialism, while denying the four cardinal principles means denying socialism. The disintegration of and evolution in the Soviet Union and Eastern Europe and the restoration of capitalism clearly show this point.

The essential characteristics of socialism mainly show what the problems of socialism are. They do not furnish all answers to the questions about socialism, because questions about socialism should include the specific implementation forms of these essential characteristics, that is, specific political and economic system and operating mechanism and various specific policies and measures. All this basically belongs to the realm in the development of socialism, and we have to explore them creatively in close connection with each nation's own state of affairs and its specific historical condition. On this question, different nations have different historical conditions. There should be and definitely are differences. This is precisely a particularity of socialism.

In the course of developing socialism in any country, the common character and particularities of socialism are closely integrated. It is in the particularities that the common character resides. It is impossible for the common character to exist independently when it breaks away from particularities. Meanwhile particularity is also a specific implementation form of the common character. When things of a common character are discarded, particularity cannot exist. Nor can it become another implementation form for things of another nature.

In exploring and discussing issues of socialism, there often appears a trend to separate the common character

from particularity or deny the common essence of socialism while emphasizing the particular form of a country in developing socialism. Theoretically it is an expression of revisionism, but in practice it leads to capitalism. Sometimes, there is a trend to emphasize the common character of socialism and deny that different countries should adopt different methods and seek different ways to develop socialism under different specific historical conditions. Theoretically it is an expression of dogmatism, but actually it is in practice copying indiscriminately the experience of another country or clinging to the original pattern without giving a thought to reform.

Proceeding from dialectical unity between the universality and the particularity of contradiction, Comrade Mao Zedong paid great attention to integrating the common laws that all socialist countries must follow with particular forms in enacting these laws under the specific conditions in China. In summing up the Soviet experience, he separated the "basic experience" from the "specific experience," believing that the former reflected the common character of socialism which should definitely be affirmed. He also regarded "the cause which we pursued as a continuation of the great October Revolution," believing that the latter reflected the particularity in developing socialism under Soviet conditions.

We must conduct concrete analysis of this, because China has its own characteristics. Whatever we do will be different from the Soviet Union. What is more, the Soviet Union itself made many mistakes. Mao pointed out that the road of the October Revolution was the universal law for socialist revolution and construction, but in applying this universal law, there existed an immense variety of special features. Every nation "will eventually follow the path which is similar on some basic points but different in specific forms to advance toward communism." This is precisely what Comrade Mao Zedong pointed out first, namely, that on the issue of developing socialism in China, we must oppose any attempt to indiscriminately copy the Soviet way of doing things. He suggested regarding the Soviet experience as a warning, taking into consideration China's own specific state of affairs, and exploring ways to develop socialism with Chinese characteristics. This was fully explained in his article, "On the Ten Major Relationships," published in 1956. Comrade Mao Zedong played the role of opening the ears of the deaf and the eyes of the blind during the 1950's, when the international communist movement generally regarded the Soviet Union as the only socialist model and the East European countries were indiscriminately following the Soviet pattern. It was precisely Comrade Mao Zedong who boldly stepped forward in the mid-

1950's, when a revisionist trend of thought cropped up in the international communist movement to entirely negate Stalin's role. He emphatically pointed out that we must fully affirm the basic experience in Soviet revolution and construction—the "basic road of the October Revolution." He pointed out that to negate this point meant to negate socialism. It is from this point that we have begun to explore our way to develop socialism with Chinese characteristics.

Comrade Deng Xiaoping has offered the greatest contribution to developing socialism with Chinese characteristics. In light of the political and economic situation after the end of the "Great Cultural Revolution," he made a timely call for efforts to carry out a reform and opening program and to emancipate and develop productive forces. Meanwhile, Comrade Deng Xiaoping has adhered the basic principle of socialism from beginning to end. He emphatically pointed out that "in the entire process of carrying out reform and opening up to the outside world, we must pay attention to adhering to the four cardinal principles." "In the course of reform it is very important for us to maintain our socialist orientation," he added. China's reform and opening program is "being carried out in accordance with the principles of socialism. Socialism has two major requirements. First, its economy must be dominated by public ownership. Second, we must guard against polarization." If we proceed along these lines, "we must keep to socialism." (*Selected Works of Deng Xiaoping*, Vol III, pp 138, 379) Comrade Deng Xiaoping regards the four cardinal principles and the advocacy of the reform and opening-up program as the "two essential points" of the party's basic line. That means the integration of the common character and the particularity of socialism under Chinese conditions. This is precisely socialism with Chinese characteristics. It is exactly because of the integration of the two that today when radical changes have taken place in the Soviet Union and East European countries and world socialism is at such a low ebb, China is still able to stand towering in the East like a giant with a stable political situation, a vigorously developing economy, an orderly society, and a thriving cause of socialism.

Differentiating the common character of socialism from its particularity helps us understand some issues in the realm of methodology. For example, some comrades call today's socialism with Chinese characteristics "modern socialism" and epitomize its special features as developing the productive forces and prosperity for all. They call socialism in the past "traditional socialism" and generalize its special features as a public ownership system, distribution according to work, and the dictatorship of the proletariat. Frankly, I dislike terms like "tra-

ditional socialism" and "modern socialism." From the viewpoint of essential characteristics of socialism, all socialist countries must uphold the concepts of a public ownership system, distribution according to work, the proletarian dictatorship, and others. Thus, there should not be anything such as "traditional" and "modern." As for the specific methods and means and specific political and economic system and operating mechanism in building socialism, there undoubtedly are and should be some differences. However, these differences exist not only in different historical stages, but also in different countries. It is hard to generalize about them as traditional" or "modern."

Also some people have said that since there can be and should be different forms of socialism, why can't humanistic democratic socialism be regarded as another new form of socialism? Here the key lies in what is meant by different forms of socialism. As far as essential characteristics are concerned, it is impossible to have different forms of socialism, because there is a common character of socialism. If these essential characteristics are discarded, it is no longer socialism. As far as the specific implementation form of socialist essential characteristics is concerned, each country has its own specific state of affairs and historical conditions. Therefore, things are different in different countries and in different historical stages. Thus, there are different patterns. These different patterns refer to particularities of socialism.

Humanistic democratic socialism is not an implementation form for the exploration of socialist essential characteristics under a specific historical condition. It is aimed at discarding the essential characteristics of socialism, as it proposes to abolish the leadership of the communist party, implement a bourgeois multi-party system, do away with the dictatorship of the proletariat, and practice bourgeois parliamentary democracy. It also seeks to abolish the public ownership of means of production, carry out a bourgeois system of privatization, negate Marxist-Leninist guidance, and allow the free spread of bourgeois ideas. Therefore, in despite of the fact that humanistic democratic socialism hoists high the banner of socialism, it is not a socialist pattern, because it denies the common character of socialism. From the ideological point of view, it represents a bourgeois trend of thought. From the social system point of view, it is a somewhat improved capitalist system. From the objective point of view, it is a bridge from socialism to capitalism. The disintegration of and evolution in the Soviet Union and East European countries, which took place under the guidance of humanistic democratic socialism, may substantiate this point.

*Article Criticizes Vulgar Socialism

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No 4, pp 21-22

[Article by Qiu De (4440 1779): "On Not Vulgarizing Socialism"]

[FBIS Translated Text] In the field of social political ideology, the concept of "vulgar socialism" is a noteworthy issue. Not long ago, a famous entrepreneur published an article which asked: "What is socialism? As far as an enterprise is concerned, anyone who makes money means adherence to socialism, while one who losses money means opposing socialism." From this we can see the considerable extent socialism has been vulgarized. Is the fact that this kind of viewpoint can be openly propagated sufficient evidence to show that "vulgar socialism" has a considerable market share?

The theoretical basis of "vulgar socialism" is the theory of "vulgar productive forces." To develop the productive forces is the fundamental task of socialism. Therefore we must vigorously develop the productive forces. However, some theoreticians have inadequately pushed the role of productive forces to the extreme. They regard productive forces as the objective and motive for the development of the socialist society in China, the criterion in testing all work, and use them to play down the role of politics and socialist culture and ideology for social development. Many people have vulgarized the productive forces to such an extent that they regard the productive forces as a means for profit-making. They believe that as long as people are making money, they have developed productive forces. They also separate productive forces from relations of production, emphasize productive forces in isolation and fail to mention the form of social production which is connected with the relations of production. Hoisting high the signboard of the "productive forces," they try to peddle privatization in all forms.

For example, one article said: Some people advocate privatization, but "when they express their views, they dare not openly promote privatization due to political consideration. They often take twists and turns and offer indirect proposals. Another deputy first makes the objectives of developing socialism abstract and regards them as developing the economy and helping people lead a happy life. Thus, these objectives will not contradict comprehensive privatization. Thus it becomes part of the socialist system." Some other people say: "Reform is precisely a contract system, and the contract system means money-making." They never admit that there are two types of reform programs. Therefore, they invariably draw a parallel between China's reform and

the "reform" in the Soviet Union and East Europe. They believe that the problem in achieving reform in the Soviet Union and East Europe is because people there started to carry out political reform first and that excessively drastic measures were taken. Others regard the four cardinal principles as "a signboard, a formula" used to hoodwink people. They deny that the four cardinal principles are the basic theory, system and practice of socialism.

"Vulgar socialism" is a kind of pernicious trend of thought. Its essence is what was peddled by some people not long ago that China must "make up for capitalism" and what these people advocated—privatization. The consequences will be obvious, if such a trend of thought is allowed to spread and becomes acceptable by some people.

To combat the trend of "vulgar socialism," we must earnestly study the Marxist theory of comprehensive social progress. Marxists always stress that to build communism means to "insure the maximum development of the productive forces in society while insuring the most comprehensive development of the mankind." (*Complete Works of Marx and Engels*, Vol 19, p 130) Comrade Deng Xiaoping also said that efforts must be made to build a society that is advanced materially, culturally, and ideologically. Only then will it be possible to build socialism with Chinese characteristics. In his report delivered at the 14th National CPC Congress, Comrade Jiang Zemin also pointed out that "we must make economic development our central task to promote the comprehensive progress of society." This is a development of the theory of scientific socialism made by our party. Since our final goal is to realize communism and all our work is aimed at building socialism and practicing communism, then promoting the comprehensive progress of society is the only test for all our work. Naturally we should not regard the productive forces as the sole criterion. In doing all our work, we should naturally carry out our central task of economic development well. However, we must not carry out economic development for the purpose of developing our economy only. Nor should we say that we will do well in politics and socialist culture and ideology, when our economy improves. Still less should we say that "economy may enjoy the highest priority." Only by persistently "making economic development our central task and promoting comprehensive progress in society" can we genuinely overcome the erroneous trend of "vulgarizing socialism."

Science & Technology

Song Jian Opens Young Scientists' Forum 12 Jun
OWI206134495 Beijing XINHUA in English
1256 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — China has set up a forum for young scientists to discuss academic issues.

Song Jian, a State Councillor, told the opening ceremony here today that the country will create the necessary conditions to foster a group of outstanding young scientists.

He called on the young scientists to value the opportunity and work hard for the country's prosperity by taking full advantage of education and scientific advance.

"The national science and technology conference, which has just ended, placed high expectations on young scientists," said Song, who is also minister in charge of the State Science and Technology Commission.

The forum will serve to create a relaxed academic environment and train a large number of leading scientists for the coming century, said Zhu Guangya, chairman of the non-governmental Science and Technology Association, the sponsor of the forum.

"Academic democracy and freedom will be encouraged at the forum," he promised.

The scientists, aged under 45 and with senior academic ranks, are expected to gather once a month and exchange their latest scientific findings.

State To Continue Policies for High-Tech Firms

HK1306073295 Beijing ZHONGGUO XINWEN SHE
in English 1327 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (CNS)—According to Xu Shanda, Deputy Director of the Policies and Law Department under the State Administration of Taxation, China will not change its preferential policies on taxation of high-tech enterprises.

According to Mr. Xu, China had already formed a complete set of strategies to support and encourage the development of high-tech industries even before 1994, including the preferential policies applied to high-tech enterprises. These policies will be effective in the long run and will not be changed. Policies and stipulations related to foreign investment have been written in China's taxation laws and have therefore secured the guarantee of laws. Though such policies may be adjusted according to changes in circumstances, China will not change its policy of using tax concessions

to encourage and support the development of the high-tech industry.

Mr. Xu revealed that the Policies and Law Department under the State Science and Technology Commission, and the Policies and Law Department under the State Administration of Taxation are now conducting a joint sample survey on the taxation burden of China's high-tech enterprises. Though the survey has not yet been completed, information obtained during the survey has already proved valuable. Therefore, on the principle of being practical and realistic, the two departments will put forward corresponding strategies and suggestions to relevant decision making departments of the state.

**Symposium: Nuclear Power Development
'Necessary'**

OW1306095495 Beijing XINHUA in English
0922 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — China should develop its nuclear power industry so as to improve its power supply and better protect the environment.

This view was shared by all 40 experts on nuclear energy and environmental protection who attended a recent symposium organized by the China National Nuclear Corporation (CNNC) and the State Bureau of Environmental Protection (SBEP).

Environmental protection in China has been challenged by its wide-spread use of coal-fired power, which will probably remain unchanged for a long time to come. Because most of the power plants in the country have not had desulfurization devices installed, sulfur dioxide emissions have, to a large degree, caused air pollution in quite a few areas in the country, resulting in turn in frequent occurrences of acid rain.

Statistics from the SBEP show that in 1992 alone, the country lost a total of 16 billion yuan because of acid rain.

Li Deping, an academician with the Chinese Academy of Sciences, said that according to a result of his comparative study on environmental effects of nuclear power and other kinds of energy and their cost, it is not only necessary but also practical for China to speed up nuclear power development.

A recent study conducted by the SBEP and CNNC has shown that the nuclear reactors at Qinshan and Daya Bay have done no harm to the environment.

To push for nuclear power development, it is necessary to remove the "nuclear fear" among the public by tightening up on nuclear safety and increasing publicity

about nuclear safety, said Wu Dechang, a professor from the Chinese Military Institute of Medical Science.

Experts said that attention should be paid to research work on nuclear radiation and environmental protection, especially the treatment of spent nuclear fuel.

Xie Zhenhua, director of the State Bureau of Environmental Protection, said that his bureau will regularly publish results of studies of the environment around nuclear power stations so as to increase public awareness of security.

China's nuclear power generating capacity stands at 2.1 million kw, only about one percent of the country's total generating capacity.

At present, the preparatory work for China's third nuclear power station is going smoothly in northeast China's Liaoning Province. With Russian loans, the station will install two one-million kw generating units in its first phase of construction.

Scientists Make Breakthrough in Laser Research

OW1306103895 Beijing XINHUA Domestic Service
in Chinese 2129 GMT 6 Jun 95

[By reporter Tang Qingzhong (0781 1987 1813) and trainee reporter Liu Qiong (0491 8825)]

[FBIS Translated Text] Hangzhou, 7 Jun (XINHUA) — The "ultrahigh quality beam research" project and the prototype jointly accomplished and developed by the Hangzhou University and the Ministry of Electronics Industry passed separate technical appraisals recently in Hangzhou and Beijing. This indicates that China has made a breakthrough in the research of laser beam quality.

The research team has not only forwarded the theory that the "Gauss Beam" is not the limit of a laser, but also successfully developed the super-diffraction limit carbon dioxide laser in practice. The brightness of this laser, which carries intracavitary phase chips, is about three times that of the theoretical brightness of the TEMOO mode beam of the carbon dioxide laser of similar measurements, and its divergence angle is about three times smaller. However, the output power is 5 to 10 percent less than that of the multimode carbon dioxide laser device of regular and similar measurements. During the appraisals, experts felt that the successful application of the intracavitary phase chips in the laser is a breakthrough and invention.

Diffraction optics is a new branch of study in optics in the 1990's and possesses vast application value in the fields of optical transformation, integrated optics, and spatial filtration. However, over a long period, academic

circles have thought that the "Gauss Beam" is the diffraction limit reachable by laser devices. The research group of Hangzhou University's physics faculty, headed by Professor Wang Shaomin, and the Ministry of Electronics Industry's Research Group No. 12, headed by Professor Pan Chengzhi, were bold to squash the established final conclusion. They creatively forwarded the hypothesis that wavelets can produce enormous changes at their boundaries. Along this thought, they conducted meticulous theoretical analysis and a large volume of tests, and successfully produced the super-diffraction limit beam, thereby fundamentally upgraded the quality of the laser beam. The success in producing the beam of a high degree of brightness has not only confirmed that their assumption is correct, but also increased the scope of application and precision processing of lasers. Just like the experts pointed out, this invention has changed the people's fundamental knowledge in the nature of diffraction over 300 years and in laser beams for over 30 years. The invention carries major academic significance and technological value, and because of this, all laser devices will be faced with the prospect of renewal and replacement.

Nation's 1st High-Intelligence Robot Makes Debut

*OW1206171095 Beijing XINHUA in English
1446 GMT 12 Jun 95*

[FBIS Transcribed Text] Beijing, June 12 (XINHUA)
— China's first high-intelligence has made its debut in

Shanghai, displaying the full range of its advantages last month, the "Shanghai Technology News" reported.

Different from the previous generations of robots, which were absolutely obedient to human orders or carried multiple transducers, this new device is noted for being equipped with a camera lens on the leg, which enables it to have the same visual function as a human being, capable of spotting, identifying the location and checking the process of assembly of a workpiece.

It also has the function of obtaining information through a micro-sensor system, improving safety and subtlety of operation.

The robot was a major research program during China's 863 Plan, a nationwide high-tech and scientific promotion program.

It took three years of research to develop.

General

New Regulations To Control Development Zones

HK1306075295 Beijing CHINA DAILY in English
12 Jun 95 p 1

[By Yang Yingshi: "New Rules Aim to Cool Development Zone Fever"]

[FBIS Transcribed Text] China's urban planning authorities have unveiled a regulation on the planning and management of development zones.

The regulation, drafted by the Ministry of Construction, is to come into effect on July 1.

The "development zone fever" of the past few years must be brought under control, said Zou Shimeng, director of the ministry's Urban Planning Department, which is in charge of the work.

Under the regulation, plans for the building of development zones must be included in cities' overall construction plans.

New development zones must get approval from urban planning departments to ensure that they conform to the City Planning Act with regard to the site, use of land, density and height of the buildings.

Urban planning departments can set up agencies in development zones to supervise their construction and management, it says.

The country has seen too much construction of development zones in recent years, especially since 1992, Zou said.

In 1984, the central government approved the first 14 economic and technological development zones in 14 coastal cities, and offered them preferential policies.

Since then, thousands of various kinds of development zones have been built across the country.

To date, 122 national development zones have been approved by the central government. A large majority of the rest were set up by lower levels of government.

The economic and technological development zones have played a significant role in attracting foreign funding, management techniques and technology, and promoting the development of the cities where they are located.

But in recent years, both the number and size of new zones have been larger than necessary.

Most of them have been built without careful feasibility study and scientific planning, causing a vast waste of land and funds Zou said.

The thousands of zones occupy almost 10,000 square kilometres of land, an area larger than that of all the nation's cities combined.

In some places, land set aside for the zones has been left unused as a result of a lack of construction funding. This land could be used for other construction or for agriculture.

Local government officials who lack awareness of urban planning and law are to blame for the situation, Zou said.

It will be corrected with the participation of urban planning departments, Zou said.

Circular on Enterprise Entertainment Expenses

OW1206123795 Beijing XINHUA Domestic Service
in Chinese 0812 GMT 2 Jun 95

[FBIS Translated Text] Beijing, 2 Jun (XINHUA) — The Ministry of Supervision, the State Economy and Trade Commission, and the All-China Federation of Trade Unions recently issued a circular on the "Provisions on the Implementation in State-Owned Enterprises of the System Under Which Reports on the State of Business Entertainment Expenditures Are Submitted To Workers' Congresses." The circular said: The central authorities have approved the "Provisions on the Implementation in State-Owned Enterprises of the System Under Which Reports on the State of Business Entertainment Expenditures Are Submitted To Workers' Congresses," and all localities and departments should make earnest plans to implement them in light of their realities.

"Provisions on the Implementation in State-Owned Enterprises of the System Under Which Reports on the State of Business Entertainment Expenditures Are Submitted To Workers' Congresses" includes 10 articles. The provisions pointed out: These provisions have been formulated to guarantee enterprise reform, opening up, and economic development; to tighten the management and democratic supervision of enterprises; and to ensure rectitude and honesty among leading cadres in enterprises.

The business entertainment expenditures cited in these provisions refer to all types of spending on receptions and entertainment incurred by enterprises in the process of conducting managerial and administrative activities. Enterprises should tighten their management of business entertainment spending, be industrious and thrifty, oppose extravagance and waste, and strictly abide by their financial systems as well as financial and economic regulations. Directors (managers) of enterprises should semiannually submit accurate reports on the state of

their business entertainment spending to workers' congresses, which will then relay the reports to workers and staff members. The reports should cover these topics: Items and amounts of business enterprise spending, conformity of spending with the system, rationality in spending the money, whether procedures have been fully followed, and other details requiring explanation. In cases where enterprises fail to either submit timely or accurate reports, departments in charge of the enterprises or relevant departments shall urge the enterprises to mend their ways. Where the circumstances are serious, the departments will criticize, educate, or take disciplinary measures against the enterprises. Party organizations and departments in charge of the enterprises, and supervisory organs will supervise and inspect the progress in implementing these provisions according to their respective responsibilities and limits of authority. Departments in charge of enterprises may formulate procedures for implementation in conformity with these provisions and the realities of relevant trade in their localities.

Machinery Industry Sees Steady Development

HK1306080395 Beijing CHINA DAILY in English
13 Jun 95 p 5

[By Li Yan: "Machinery Sector Charts Growth"]

[FBIS Transcribed Text] The machinery industry witnessed steady development in the first four months of the year, but pressure from capital shortages and defaults on payment remain, a report from the Ministry of the Machinery Industry said.

Total output value of the industry reached 151.37 billion yuan (\$18.24 billion) in the first four months, up 13.4 per cent over the same period of last year, and completing 32.3 per cent of this year's planned production.

Agricultural machinery production chalked up a dynamic rise of 36.4 per cent, while instrument and meter production increased by 29.5 per cent.

Other sectors experiencing increases are automobiles, universal petro-chemical machines, heavy-duty mining machinery and basic machinery components.

Though sectors such as machine tools, electrical equipment and engineering machinery were still overshadowed by negative growth, the declining rate was shrinking.

Average sales rates of machinery products reached 95.9 per cent during the January-April period, 5.8 percentage points more than the same period a year ago, and 0.4 percentage points higher than the first season of this year.

The figure was also 1.2 percentage points higher than the nation's average total industrial sales rate of 94.7 per cent.

The increased sales of machinery products has resulted in decreases in the growth of machinery stockpiles.

By the end of April, the total value of machinery stockpiles was 53.38 billion yuan (\$6.43 billion), up 11.9 per cent compared with the same period last year, but was 3.5 percentage points less than that reached by the end of March.

However, the total value of machinery stock is swelling, and some provinces are becoming concerned by increases in the stockpiles of machinery products.

Machinery exports in the first four months jumped 48.8 per cent over figures of a year ago to hit 8.69 billion yuan (\$1.05 billion).

Trade companies under the Ministry of the Machinery Industry completed \$962 million worth of total exports, of which \$358 million worth was exported to the US, Japan and Hong Kong.

Sales income in the machinery industry totalled 119.27 billion yuan (\$14.37 billion) in the first four months, increasing 18.9 per cent.

But profits dropped 11.5 per cent over the same period last year to 2.56 billion yuan (\$308.4 million), and pre-tax profits dropped 6 per cent to 9.79 billion yuan (\$1.18).

The drop of profits is mainly caused by a nation-wide capital shortage, defaults of payment and price rises for raw materials.

The production of many high demand machines, such as large and medium tractors and combine harvesters, has to be slowed down or cancelled due to stringent capital.

The default of payment among enterprises within the machinery industry and among those of related industries has aggravated the capital shortage.

Meanwhile, many enterprises are not operating at full capacity because of reduced orders for their products.

By the end of April, total orders stood at 286 billion yuan (\$34.46 billion), comprising 60.9 percent of planned volume for the year and 20 percentage points down than the average level in normal years.

Chemical Industry Said Developing Smoothly

OW1206171395 Beijing XINHUA in English
1335 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — China's chemical industry yielded a total output value

of 71.39 billion yuan in the first four months of this year, showing an increase of 17.1 percent over the same period of last year.

According to the latest edition of the "China Chemical Industry News", chemical fertilizer production has reached a record high of 37.62 million tons.

The paper also said that in the first quarter of this year the state-owned chemical enterprises above county level have enjoyed unusual profits of 567 million yuan, while in the same period of last year, they suffered losses of 418 million yuan.

Tan Zhuzhou, vice-minister of chemical industry, attributed the development to a better domestic market environment and the smooth operation of the national economy.

However, he warned that chemical industrial enterprises should get ready to meet some unfavorable factors.

He was quoted as saying that lack of capital investment and the upcoming off-season for chemical fertilizers will possibly restrict the development of China's chemical industry.

Tan urged chemical industry enterprises to strengthen production management, conduct analyses of the market, and inject more capital into production and construction.

As he put it, China's chemical industry is expected to yield 210 billion yuan of output value this year.

Production of Nonferrous Metals 'Stable'

HK1306075395 Beijing CHINA DAILY in English
12 Jun 95 p 5

[By Pan Zhongming: "National Production of Nonferrous Metals Stable"]

[FBIS Transcribed Text] National production of nonferrous metals is on a stable track, according to the Beijing Antaikai Information Co under China National Nonferrous Metals Industry Corp.

China produced 241,600 tons of copper during the first four months, 34.51 percent of the planned 700,000 tons for this year and marking an increase of 12.25 percent over the same period of last year.

On that basis, total copper output this year is estimated to reach 720,000 tons, exceeding the planned production target by 20,000 tons.

Despite the progress, China can still expect to suffer from a shortfall in copper supply. High world copper prices—almost equal to the highest price in the domestic market — make it impossible for China to import large

quantities of the element this year said Tang Jiaqian, a senior consultant at Beijing Antaikai.

Output of aluminum in the first four months was 533,200 tons, 35.55 percent of this year's total planned production.

China plans to produce 1.5 million tons of aluminum this year. But the estimated total output is expected to hit 1.65 million tons, according to Tang.

He ascribed the increase to sharply rising domestic consumer demand and seasonal fluctuation in price: consumption during the first four months has peaked in some areas of the country.

In addition, China exported more aluminum than it imported during the first quarter of the year; exports were mainly processed products of aluminum oxide imported last year.

China exported 72,700 tons of aluminum and its alloy during the first quarter of the year. In April alone, exports hit 22,200 tons.

If domestic aluminum prices remain above the international price, China is likely to import large quantities in the future.

At present, aluminum supply and demand in China is generally well-balanced.

Thanks to early efforts to make the domestic price of aluminum comparable to the international price in the late 1980s, domestic and international prices now supplement and complement one another, said Tang.

Relations between the London Metals Exchange and the Shenzhen Metals Exchange and Shanghai Metals Exchange, established in 1991 and 1992 respectively, are becoming closer, he added.

Supplies of both lead and zinc have surpassed demand since last year, thanks mainly to increases in output. Tang noted the balance relies mainly on exports.

National Petroleum Corporation Jan-May Figures

OW1206133695 Beijing XINHUA in English
1253 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — China pumped out more than 60.9 million tons of crude oil in the first five months of this year, a slight increase over the same period of last year, official sources said here today.

According to the China National Petroleum Corporation, China's onshore oil output in the first five months of this year was 57.8 million tons, completing 41.8 percent of the 1995 plan.

Figures released by the China National Offshore Oil Corporation show that the country's offshore crude oil output hit more than three million tons during the January-May period.

Production of the major oilfields in eastern and northern China remained stable, while the production of the newly developed oilfields in the western region, such as the Turpan-Hami, Tarim and Yanchang, continued to go up with an average rise of 20 percent and that of the Turpan-Hami going up as high as 48.1 percent.

Experts said the country's crude oil production for the whole year is expected to top 145 million tons.

Meanwhile, China produced 6.77 billion cu m [cubic meters] of natural gas during the first five months of this year, 1.3 percent off the same 1994 period. Of the total, the offshore output of natural gas amounted to 160 million cu m.

The 1995 output of natural gas is expected to reach 16.5 billion cu m, according to oil officials.

Market Demand Sparks Information Industry Growth

OW1206125195 Beijing XINHUA Domestic Service in Chinese 0851 GMT 30 May 95

[By reporter Zou Qingli (6760 3237 7787)]

[FBIS Translated Text] Beijing, 30 May (XINHUA) — During the Eighth Five-Year Plan period, China's computer information industry grew rapidly at an average annual rate of 70 percent, initially forming a manufacturing industry mainly engaged in the manufacture of microcomputers and external equipment, as well as a framework for a modern information industry with co-ordinated development of software and information services.

According to the 16th national computer products trade fair in Beijing, which opened today, there are 15,000 computer enterprises and institutions in China, employing more than 300,000 people. Compared with the period before the Eighth Five-Year Plan, production of the main parts of microcomputers and their external equipment has developed from simple installation to sophisticated processing and independent design and production; the percentage of modern technology used in computer products has continued to increase, and exports of computer parts are increasing. In recent years, exports of Chinese computer parts have been increasing at an annual rate of 77 percent. Lianxiang, Langchao, and other giant domestic enterprises have become the world's main suppliers of computer cards.

Boosted by technological advances, the technological level of China's computer and information industry has been rising steadily. In Chinese language information processing technology in particular, an international standard for 11-digit Chinese internal code [zhong wen duo 11 wei nei ma guo ji biao zhun 0022 2429 1122 0577 0001 0143 0355 4316 0948 7139 2871 0402] — ISO-10646 — has been formed on the basis of research results provided by China. On the basis of advanced technology, such as parallel processing, multi-media technology, laser-disc technology, and artificial intelligence, China has independently developed such computer products of its own as the Galaxy, Shenzhou, and the Dawn.

The application of information in developing the national economy has led to the rapid formation of a giant information industry market over the past two years. Stimulated by market demand, enterprises which are exclusively engaged in the development of software technology, products, and application, in the integration of application systems, and in product sales, consultation, and maintenance are growing rapidly after gradually separating themselves from the manufacturing sector. At the same time, the Great Wall, Guanghua, and other domestic enterprises have entered into cooperation with the world's famous computer corporations such as IBM and Apple, thereby enabling China's computer information industry to stride into the world arena.

Market-Oriented Reform Needs 'Creative Work'

HK1306080195 Beijing CHINA DAILY in English 13 Jun 95 p 4

[By Wang Xiaozhong: "Reform Needs Creative Work"]

[FBIS Transcribed Text] By focusing on the restructuring of State enterprises, China's market-oriented reform has entered a phase demanding perhaps the most creative work.

High-level officials implementing the reform are becoming more open-minded to international experiences and wisdom.

As they sat around a table with international economists and experts last week, they brought up major problems impeding their work.

The International Conference on Policy Options for State-owned Enterprises, which was held last Thursday and Friday in Beijing, was the first co-operation between the World Bank and the State Economic and Trade Commission (SETC).

"We pay big attention to absorbing and learning from all successful and constructive international experiences.

That is the main theme of the meeting," said Wang Zhongyu, SETC minister.

Foreign economists, on the other hand, may have obtained a better sense in spotting the real problems blocking China's reform through speeches and papers compiled by Chinese officials from departments such as the SETC, the finance and labour ministries, the central bank and even some State conglomerates.

They may find the discussions fruitful as the options concerned possibly may affect the country's State enterprises deeply by soon becoming new government policies and reform measures.

The two-day conference, through discussions and arguments, proposed detailed suggestions to the key questions in carrying out the reform. The problems, as Nicholas Hope, director of the World Bank's China & Mongolia Department, put it, are:

— How the assets of the State should be managed to ensure that society receives adequate return on capital, natural resources and labour.

— What changes will create better incentives for the managers of China's enterprises to strive for superior enterprise performance.

— How heavily indebted enterprises can be helped to restructure their finances and regain profitability.

— How best the social needs of the enterprise workforce can be supplied without impairing enterprises' ability to compete efficiently.

— How the production of State enterprises should be reorganized.

Put in another way, these questions are now targets of the reform practice, such as building external and internal enterprise management systems, and relieving debt burdens, redundant persons and the burden of running small societies.

On the management of State assets, Jiang Qiangui, director of the Enterprise Department of SETC, suggested changing some ministries and some big conglomerates into agents representing the State as the owner of enterprises.

In fact, tests of the suggestion have been started in some large State enterprises.

However, some World Bank economists warned that such a multilevel holding company structure may still lack efficiency and accountability.

The economists say the holding company structure, which forms in market competition in developed countries, may fail in the management of State properties as

it cannot ensure the independency and hard budget constraint, which are fundamental to the efficiency of any enterprise.

Both sides agreed Jiang was right by suggesting that the government separate its role as owner of State property from that of a social economic manager.

Real budget constraint was stressed again by both sides as a precondition to restructuring the debt burden.

"After a 'last supper,' the State should never again take the responsibility for the debt of enterprises," said Wu Xiaoling, director of the Policy Research Department at PBC, China's central bank.

To ensure it is the last, Wu said, the debt restructuring must be carried out together with the reform of the State assets management system.

Options under discussion to streamline the redundancy and to separate social services from enterprises connected the relieving of burdens with the stimulation of efficiency.

"The key judgment in building a social security system is not that how many people are covered, but that whether it is conducive to the building of a competition system," said Chen Quansheng, vice-director of SETC's enterprise department.

Nicholas Hope said one defect of the conference is that it is less successful in suggesting market-driven ways to induce changes in poor management.

However, both sides expressed satisfaction about the conference and will co-operate further.

"Beside discussions on options of enterprises reform, we have set up trust and friendship," said Chen Qingtai, SETC's vice-minister.

And the World Bank, as Hope said before the end of the meeting, is hoping to extend the cooperation through active support to the government as it implements its enterprise reform.

Using Law To Invigorate Enterprises Stressed

OW1306103695 Beijing XINHUA Domestic Service
in Chinese 0928 GMT 9 Jun 95

["Weekend Economic Commentary" by reporters Niu Aimin (3662 1947 3046) and Ni Xiaolin (0242 1420 2651): "It Is Necessary To Attach Importance to Using the Law as A Weapon in Invigorating Enterprises"]

[FBIS Translated Text] Beijing, 9 Jun (XINHUA) — A successful enterprise manager once gave a vivid metaphor: The law is a pole used by enterprises to vault

over obstacles: it can reduce operating risks and also ensure the exercise of autonomy by enterprises.

In today's real economic life, however, odd events emerge one after another: Some of those responsible for enterprises blindly launch new production lines and projects, depending on experience instead of on scientific and democratic decision-making, resulting in a huge surplus of products and placing their enterprises in dire strait. Some enterprises do not know how to protect their own rights as creditors and spend large sums of money as well as manpower to request payment by the debtors everywhere and every day. And some enterprises, knowing nothing about patent law, see their painstakingly developed new products driven out of the market by similar products that came out later... [ellipses as published] These odd scenes are repeatedly staged in China's large and medium-sized state enterprises. At a recent national seminar on economic law, many experts analyzed and appraised these phenomena; they maintained that at present large and medium-sized state enterprises' dependence on policies and preferential treatment and their disregard of laws and regulations are among the direct causes of difficulty in invigorating enterprises.

Take the problem of default among enterprises, which has caused great concern in various circles in society; for example, it has been learned that many state-owned enterprises involved in debt chains simply do not know how to protect their own interests by law in specific operations. A business wholesaler delivered a shipment of goods to a buyer introduced by a third party without conducting an investigation into the buyer's credit and operation conditions or making out a proper sales contract. Two or three years after the delivery of the goods, payment had still not been made, despite repeated requests, as the buyer always stressed that he was short of funds. The retail unit eventually went bust, and there is no way to get hundreds of thousands of yuan back. The concept of "sell the products first" is rather common among state-owned enterprises. In fact, the State Council issued the "Circular on Running Trust and Consulting Services" a long time ago; now credit investigation services are available through the banking sector, and foreign affiliated banks and domestic branches of Chinese banks are offering such services, too. Many enterprises, however, are not familiar with or do not know how to make use of this effective way to reduce debt risks, thus creating many unnecessary debt-related disputes.

Many enterprise and factory managers complain that it is too difficult to run an enterprise, for they cannot attend to all contradictions and feel weak in handling the internal affairs of enterprises. This is the mindset of

some persons responsible for state-owned enterprises. But they do not understand that they could reduce their burden and that they must know how to protect themselves and their enterprises through the law.

In the course of reform in large and medium-sized state enterprises over the years, a series of laws and regulations have been promulgated for devolving authority and granting benefits at the beginning and for transforming operating mechanisms later. The "Enterprise Law" alone has made detailed stipulations on enterprises' rights to operations and decisions, investment decisions, and ways to ensure the smooth exercise of these rights, and has described methods of operation. In addition, the "Civil Law" also contains many articles stipulating the rights and duties of legal persons and persons operating businesses. As the framework for a socialist market economic structure takes shape, the number of economic laws and regulations will increase and will become more detailed, scientific, and comprehensive. Market economy is legal economy; enterprises must take rules into consideration in their every move. If the responsible person of an enterprise is blind to laws, it will be very difficult to invigorate that enterprise.

Finance & Banking

Ministries To Inspect Fixed Asset Checkup

OW1306111695 Beijing XINHUA Domestic Service
in Chinese 2100 GMT 10 Jun 95

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 11 Jun (XINHUA) — In order to ensure the desired results in conducting a checkup on fixed assets nationwide, the Ministry of Finance, the Ministry of Supervision, the Auditing Administration, and the National Administration of State Property recently made a joint decision to inspect the checkup at selected departments, localities, and state-owned enterprises and units at various levels, beginning in the fourth quarter of this year.

The ministries and administrations urged finance, supervision, auditing, and state property administrative departments at all levels to work together with organs at various levels in conducting the checkup and implementing the guidelines of the "circular on further conducting the checkup on fixed assets nationwide" issued by the State Council General Office last March. The scope of the inspection covers all-level state-owned enterprises and units in localities and departments required to conduct the checkup, as well as enterprises and institutions inside and outside the territory that are funded by such localities and departments; and various kinds of economic entities invested with state assets by all-level

state organs, institutions and units, as well as social organizations. The main purpose of the inspection is to review the progress in conducting the checkup on fixed assets by state-owned enterprises and units funded or administered by the localities and departments; or to review whether all-level state-owned enterprises and units have complied with the relevant state regulations in various stages of the checkup, including making an inventory of assets, defining the property rights, reevaluating the assets, assessing the land prices, and verifying the capital.

The Ministry of Finance and three other departments demand that problems uncovered in the course of the inspection shall be handled realistically and appropriately on the basis of whether a problem is uncovered through voluntary checkup or through a checkup by others.

— Enterprises and units which fail to conduct the checkup according to the state plan shall be ordered to do so within a time limit and be criticized in a bulletin. Those which still fail to comply within the time limit shall be checked upon by an intermediate organization designated by the organ required to conduct the checkup at the same level, with the expenses to be borne by the enterprise or unit; meanwhile, leaders of the department in charge of the enterprise or unit shall be investigated for their responsibility, while the legal representative shall be given appropriate disciplinary sanction and economic penalty.

— In the course of a voluntary checkup on fixed assets, if state-owned enterprises and units sort out from their possession unlisted assets as a result of previous violations of financial and economic laws and regulations — which however do not constitute losses of state-owned assets — as well as various goods purchased without complying with the provisions controlling institutional purchase, they shall, after examination and verification by the organ required to conduct the checkup at the same level together with the financial and state property administrative departments, be exempted of penalty once remedial action is taken according to the relevant state regulations. Of such unlisted assets and goods, those which require registration formalities should be registered at the relevant department.

— Enterprises and units which fail to conduct the checkup according to the regulations, and report to higher authorities various unlisted assets and investments and goods purchased without complying with the provisions controlling institutional purchasing, shall be handled as violations of discipline according to the relevant state regulations, and their legal representatives and personnel directly responsible for such violations shall

be given disciplinary sanctions and economic penalties as deemed appropriate.

— In the course of the checkup, when enterprises and units violate the policy by concealing or making false statements on fixed assets to a relatively light extent, they and their personnel directly responsible for the violation shall be given disciplinary sanctions and economic penalties respectively; when the violation is a relatively serious one, they shall be recommended to the people's government at the same level for dismissal of their principal leaders' jobs. Where the law is violated, the violator shall be handed over to the judicial department for punishment according to the law.

Asia-Pacific Securities Seminar Opens 13 Jun

OW1306102495 Beijing XINHUA in English
0915 GMT 13 Jun 95

[FBIS Transcribed Text] Hangzhou, June 13 (XINHUA)

— A two-day seminar on the securities and futures market in the Asia and Pacific region opened today in this capital city of east China's Zhejiang Province.

More than 20 experts from the United States, Japan, Thailand, China, Hong Kong, and Taiwan province will discuss developments in the securities and futures market in the region, and methods to solve problems the market now faces.

They will also offer advice on how China should develop its securities and futures market.

Over the past ten years, the Asia and Pacific region has seen fast economic growth.

A large amount of "hot" money, used for short-term speculation, has come into the region, which in 1993 alone amounted to 52 billion US dollars, fueling the growth of the securities and futures industry.

Tokyo, Hong Kong, and Singapore have consolidated their positions as international financial centers, and the futures and securities industries in China have had big growth, often dramatic.

Experts say that the futures and securities business will thrive in the Asia and Pacific region, the most energetic region in the world economically, in the near future.

The seminar was organized by the Zhejiang Securities Co. Ltd. and Hangzhou University, and sponsored by the US Howard Global Companies, Ltd.

Foreign Trade & Investment**Wu Bangguo Meets Japanese Brewery President**

*OW1306111295 Beijing XINHUA in English
1100 GMT 13 Jun 95*

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Chinese Vice-Premier Wu Bangguo met with Keisaku Manabe, President of Japan's Kirin Brewery Company Limited, and his party here this afternoon.

The Japanese visitors are here for a visit to China as guests of China National Council of Light Industry.

Progress in Pakistan Nuclear Power Station Noted

*OW0906113595 Beijing XINHUA Domestic Service
in Chinese 0501 GMT 8 Jun 95*

[By reporter Han Zhenjun (7281 2182 6511) and correspondent Yang Zhiping (2799 1807 1627)]

[FBIS Translated Text] Beijing, 8 Jun (XINHUA) — According to the China National Nuclear Corporation [CNNC], 76 percent of the total amount of work involving steel reinforced concrete on the (Chashma) Nuclear Power Station — a high-technology project that our country exported to Pakistan — has been completed since construction formally began on 1 August 1993. Thus far, 48 percent of the equipment expenses have been recouped.

Located 280 km southwest of Islamabad, the capital of Pakistan, the (Chashma) Nuclear Power Station is a commercial nuclear power station. With the CNNC-affiliated China Zhongyuan Engineering Corporation as its main contractor, the station is being built by its subcontractors — the Shanghai Nuclear Engineering Institute, the China Zhongyuan Nuclear Power Construction Company, the Shanghai Nuclear Power Equipment Company, and the Qinshan Nuclear Power Company. It is scheduled to be completed in March 1999 and handed over to Pakistan.

It is reported that since construction commenced, the contractors have exercised management in strict accordance with internationally adopted grid plans, and have strictly controlled quality, construction progress, and funds.

Firms Sign Cement Production Accord With Iran

*OW1106055495 Beijing XINHUA Domestic Service
in Chinese 0859 GMT 9 Jun 95*

[By reporter Li Guangru (2621 0342 5423)]

[FBIS Translated Text] Beijing, 9 Jun (XINHUA) — To jointly promote exports of China's electromechanical products, the CITIC International Cooperation Com-

pany, the CITIC Industrial Bank, and the People's Insurance Company of China signed an "Export Credit Guarantee Agreement for the Export of a Cement Production Line to Iran" on 8 June.

This is the first time China has used export purchasing credit to export a complete set of heavy equipment to Iran. This project, with a total contract amount of \$11 million and a construction period of 24 months, is a state-class cooperative project between China and Iran.

The CITIC International Cooperation Company, the exporter of this project, has asked a first-rate designing firm and producer in China to work out the design and manufacturing of this project; it has also worked out a detailed project enforcement plan for this project. The CITIC Industrial Bank and the People's Insurance Company of China provided the project with loans and credit insurance, respectively.

Machinery, Electronics Exports To Increase

*OW1306031495 Beijing XINHUA in English
0301 GMT 13 Jun 95*

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — China's machinery and electronics exports are expected to maintain an increase of 15 percentage points over the next five years, reaching 60 billion U.S. dollars in the year 2000.

The China Machinery and Electronics Daily here said that the machinery and electronics products exports will account for 30 per cent of the country's whole at that time, and even take a 2.5 percent share of the global market.

China will possibly raise the sector's export volume to 150 billion U.S. dollars in the year 2010.

To fulfill such an ambitious goal, the country will concentrate on, among others, shipboard electronics products, aircraft components, telecommunications, computers, agricultural machines, home appliances, and automobiles and auto parts.

The country will possibly give more preferential financial policies to the sector to ensuring its success, and inject more money into technical renovation in machinery and electronics enterprises across the country.

A foundation for this sector's development and export will be set up in the near future also, the paper said.

Foreign Investment Boosts Henan Telecommunications

*OW1206150795 Beijing XINHUA in English
1234 GMT 12 Jun 95*

[FBIS Transcribed Text] Zhengzhou, June 11 (XINHUA) — The telecommunications industry in central China's Henan Province maintains a fast growth rate over the past few years, constantly expanding its advanced telecoms network across the province.

Statistics show that so far the province's telecoms sector boasts a telephone exchange capacity of 1.37 million lines, and of this figure, 550,000 were added last year.

The lines in the rural areas have reached 330,000, and 1,240 exchanges in townships have adopted automatic systems.

Moreover, the province has raised the number of long-distance telephone lines to 25,000.

Furthermore, the technology of the province's telecommunications has been greatly upgraded and a program-controlled network has taken shape.

And the mobile telephone network has extended to all the cities in Henan. Now there are 51,000 users of walkie-talkie and 300,000 users of beeper pagers across the province.

Experts here attributed the rapid growth to the governments' heavy investment in the sector, which jumped to 2.83 billion yuan in 1994.

Another factor is the increasing amount of foreign investment, experts said. To date business people from more than ten countries, including Canada, Belgium, Germany and Norway, have injected 258 million U.S. dollars in the province's telecommunications sector.

Foreign Companies Invigorate Liaoning Economy

*OW1206170895 Beijing XINHUA in English
1438 GMT 12 Jun 95*

[FBIS Transcribed Text] Shenyang, June 12 (XINHUA) — Mushrooming foreign-financed enterprises have injected vigor into the economy of Liaoning Province, a heavy industrial production center in northeast China.

Deputy Provincial Governor Gao Guozhu said that Liaoning currently has some 10,000 foreign-funded companies, involving 12 billion US dollars in overseas investment.

But major state-owned enterprises in Liaoning account for roughly one tenth of the total in China, he said, adding, "Most of such enterprises in Liaoning have aging equipment, and hence badly need to be upgraded using foreign funds."

The provincial government has decided to give top priority to invigorating major state-owned enterprises in introducing foreign funds.

Some 4,000 foreign-financed operational companies contribute at least 12 percent to Liaoning's gross domestic product — the value of goods and services produced.

The mushrooming of foreign-funded companies has helped Liaoning readjust its industrial structure, upgrade its manufactured goods and revitalize existing enterprises.

Such companies have brought in advanced foreign technology and managerial expertise to a whole range of industries, including petrochemicals, metallurgy, electronics, machinery, textiles, pharmaceuticals, building materials and services.

To date, 1,500 companies in Liaoning, including 300 major ones, have been transformed through technological co-operation with overseas companies.

Foreign-financed companies exported 1.65 billion US dollars-worth of goods in 1994, 30 percent of Liaoning's total. They paid 1.5 billion yuan in taxes to the government last year, up 90 percent from the previous year.

In addition, operational foreign-funded companies employ half a million people.

Annual Trade Fair Closes in Shandong's Yantai

*OW1306023995 Beijing XINHUA in English
0210 GMT 13 Jun 95*

[FBIS Transcribed Text] Yantai, June 13 (XINHUA) — An east Asian cities' import and export commodities trade fair was closed Monday [12 June] in this coastal city of east China's Shandong Province.

The one-week fair was jointly sponsored by cities in Japan, the Republic of Korea, and Russia, in cooperation with the trade councils of Hong Kong and the Republic of Korea, and Yantai, the host city.

During the fair, Chinese and overseas businessmen concluded trade contracts totalling 212.5 million U.S. dollars, while exports amounted to more than 170 million U.S. dollars, and imports stood at 42 million U.S. dollars.

Overseas businessmen showed interest in peanuts, aquatic products, building materials, machinery, hardware, handicrafts, electronics, light industry and textile products, that are all produced on the Shandong peninsula.

Agreements on 68 cooperative projects were signed at the fair, involving an overseas investment of 156 million U.S. dollars. About 80 per cent of the contracted projects were in the manufacturing sector.

The China-Yantai and East Asian Cities Trade Fair is scheduled as a yearly event.

Commodities Exhibition Opens in Shanghai

OW1006133095 *Beijing XINHUA in English*
0801 GMT 10 Jun 95

[FBIS Transcribed Text] Shanghai, June 10 (XINHUA) — The four-day '95 Shanghai International Commodities Exhibition opened today in this China's largest industrial metropolis.

Present at the exhibition are well-known businesses from a dozen countries and regions including the United States, Japan, Italy, Singapore as well as Hong Kong and Taiwan, and more than 50 domestic large-scale commercial complexes.

The commodities displayed cover daily goods, garments, hardware, electric appliances, telecommunications facilities, acoustics, cameras, medical and health care products, arts and crafts, food, and sports goods.

The exhibition is jointly sponsored by the China Commercial Group under the Ministry of Internal Trade, the China National Integrated Company, and the China Council for the Promotion of International Trade.

"The exhibition is aimed at enhancing economic and trade exchanges and cooperation between China's large retail businesses and industrial enterprises both at home and abroad," said Fan Wenming, president of the China Commercial Group.

China's commercial market is of great potential. Officials with the Ministry of Internal Trade estimate that by the end of the century, the business volume of China's consumer market will reach 2,700 billion yuan (325.3 billion US dollars).

Government sources say China is opening its commercial and service trades to foreign business people. A number of pilot commercial retail joint ventures have been set up across the country.

Sichuan To Use Foreign Funds To Boost Industry

HK1306075495 *Beijing CHINA DAILY in English*
12 Jun 95 p 5

[By Zhang Yu'an: "Sichuan Set to Bolster Chemical Industry"]

[FBIS Transcribed Text] Sichuan Province plans to use \$755 million in foreign funds, including direct foreign

investment, to boost development of the chemical industry there over the next five years.

Zhao Yanbo, Director of the Sichuan Provincial Bureau of Chemical Industry, told China Daily that foreign firms can directly invest in the province through joint or co-operative ventures.

The province plans to invest 21.16 billion yuan (\$2.52 billion) in 52 major chemical projects during the period. The projects also will open to foreign investment.

Once completed, they'll be able to turn out 11.68 billion yuan (\$1.39 billion) worth of products and earn 3.45 billion (\$410.5 million) in pre-tax profits annually, Zhao said.

The projects will include such chemical-based products as compound fertilizer, phosphoric acid, radial tyres, caustic soda, methyl alcohol, acetic acid, ammonia, high-grade paint, automotive rubber sealing products, medicine, dyestuff and livestock feed additives.

Zhao said the province will focus on developing basic chemical raw materials, rubber products, fine chemicals and petrochemical products.

Sichuan plans to build several radial tyre plants with a combined annual production capacity of 5 million tyres. Currently the province is only able to manufacture 150,000 radial tyres a year.

Radial tyres are manufactured with the world's latest technology. Such tyres help automobiles to save fuel and run smoother and safer.

Zhao said Sichuan is a large hinterland province with many mountainous areas. So, road transportation will continue to play an important role in local economic development. In addition, the province plans to make automobile manufacturing a pillar industry increasing its annual production to 800,000 or 1 million in the near future.

These all are factors favouring the province's development of its radial tyre industry, Zhao noted.

The Three Gorges Dam project in the middle reaches of the Yangtze River also will create opportunities for development of Sichuan's chemical industry. The areas where 17 chemical plants are operating eventually will be submerged when the Three Gorges Dam is finished.

The plants will be moved out of the reservoir area and reconstructed at new sites with State financial aid.

Sichuan plans to invest more than 7.5 billion yuan (\$892.8 million) in reconstructing the plants, Zhao said.

He added that the country plans to introduce crude oil produced in Xinjiang Ugyur Autonomous Region to

Sichuan creating a good opportunity for the province to develop its petrochemical industry.

Also, a 5-million-ton oil refinery will be built at the western part of Sichuan Province in the next few years.

Agriculture

Circular on Inspecting Grain Purchase Funds Use

OW1206125695 Beijing XINHUA Domestic Service in Chinese 0953 GMT 2 Jun 95

[FBIS Translated Text] Beijing, 2 Jun (XINHUA) — The State Council General Office recently issued a circular urging branches of the People's Bank of China, the Agricultural Bank of China, the Agricultural Development Bank, other special state banks, and relevant departments in various localities, under the unified leadership of local governments, to organize efforts to conduct a general inspection of the supply and management of procurement funds for farm and sideline products in mid-June this year.

The circular issued by the State Council General Office urged that the inspection must be focused on the following fields:

— All localities and departments must accomplish goals put forward by the national work conference on the management of procurement funds for farm and sideline products and carry out various policies and measures.

— Governments and finance departments in all localities are responsible for supervising the allocation of grain procurement funds. They must see to it that the allocation of funds to local governments come in time for subsidies for the grain purchase price. They must ensure that if allocated funds fail to reach some localities in time, banks will pay for the procured farm and sideline products on behalf of local governments.

— Check if enterprises in charge of procuring grain, cotton, and oil seeds make efforts to call back procurement funds misappropriated for other uses, especially the misappropriated funds for purchasing grain, cotton, and oil seeds this year. They must check if the enterprises in charge of procuring grain, cotton, and oil seeds separate their policy-oriented businesses from operational ones, and if procurement funds are misappropriated for operational businesses.

— Check the efforts of the Agricultural Development Bank of China in raising, allocating, and arranging procurement funds and in calling back extra funds from procuring enterprises; check the branches of the Agricultural Bank of China and see if they are carrying out their duty in managing the Agricultural Development Bank's procurement funds according to the "Agreement

on Entrusting the Agricultural Bank of China To Deal With Some Business of the Agricultural Development Bank"; and ensure that the Agricultural Bank of China has its capital clearances done before 31 May of this year.

— Check the arrangement and allocation of procurement funds for summer grain in various localities and departments on the basis of this year's policy on supply and management of procurement funds for grain, cotton, and oil seeds.

Agricultural Sideline Product Control To Increase

OW1306030995 Beijing XINHUA in English 0230 GMT 13 Jun 95

[FBIS Transcribed Text] Shanghai, June 13 (XINHUA) — China will strengthen supervision of its agricultural sideline products markets this year, with greater effort being put on distribution, said He Jihai, vice minister of Internal Trade said here in a seminar.

The official called on state-owned agricultural sideline products companies to take a bigger share of the market by setting up chain stores, and said that China will expand vegetable and pork production and particularly speed up pig raising in coastal areas and in Northeast China.

A speaker from the Ministry of Agriculture said that pork, beef and mutton output rose 16.4 percent during the first quarter of the year over the same period of last year while aquatic products surged 23.2 percent during the January-March period of this year on a year-on-year basis.

In addition, the official said, most of the provinces have established local reserves of main agricultural sideline products and some provinces have also set up special funds to stabilize market prices.

The official said that 280,000 tons of sugar and 240,000 tons of meat have been stored in reserves.

Programs To Control Soil Erosion Successful

HK1306075995 Beijing CHINA DAILY in English 13 Jun 95 p 3

[By Liang Chao: "Country Curbs Soil Erosion"]

[FBIS Transcribed Text] Programmes to control soil erosion along China's seven largest rivers have achieved remarkable success, checking erosion on more than 50,000 square kilometres of barren land.

The figure is contained in a report released at the weekend by the Ministry of Water Resources on efforts taken since 1983 to tackle the erosion problem.

Water and soil erosion are major problems in China. The amount of land affected has increased from 1.53 million square kilometres in 1949 to today's 3.67 million square kilometres, or one-third of the country's land area.

Severe soil erosion affected more 1.74 million square kilometres of land along the Yangtze, Yellow, Huaihe, Pearl, Haihe, Songhuajiang and Liaohe rivers, said Guo Tingfu, director of the ministry's water and soil conservation department, quoting the report.

But 17 major water and erosion-control projects on the seven rivers have brought great improvement in the environment, a recent survey found.

Crop yields have been raised, disasters avoided, rural economic development accelerated and millions of farmers lifted from abject poverty.

Vegetation on the improved land has increased by 41 per cent and over 60 per cent of the soil in the river valleys has been successfully held by terracing, adjust the slope of the land, or planting trees or grass.

As a result, both per capita arable land and land with stable crop yield have gone up, which can ensure farmers enough food.

Small river basins ranging from five to 30 square kilometres in area, which used to be seriously eroded, are now being used to grow crops.

The annual net per capita income of the poorest farmers in some areas has reached 700 yuan (\$84) or more.

'Mail Box' Explains 'Agricultural Output Value'

OW1206132695 Beijing XINHUA Domestic Service in Chinese 2130 GMT 2 Jun 95

[XINHUA Mail Box: "What Is Total Agricultural Output Value?" by reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 3 Jun (XINHUA) — Total agricultural output value is the expression in monetary terms of the aggregate of agricultural products produced over a certain period.

The calculation of total agricultural output value includes the total output value of agricultural, forestry, animal husbandry, sideline, and fishery products generated by various economic means in an administrative division over a calendar year.

Agriculture includes the output value of both primary and sideline crop products; forestry includes the growth volume of artificially planted trees, forest products, and the value of bamboo and trees felled by cooperative economic organizations at village level and below and by peasants; animal husbandry includes the value of

propagation, growth, weight gain of mature and young livestock, the value of livestock being kept, the value of products from living domestic animals and poultry, and the value of products from other animals being kept; sideline products include the value of collected wild plants, the value of products from caught and hunted wild animals, the output value of industries run by peasant families on a part-time basis; and fishery products include the value of catches from both natural and cultivated aquatic products.

***Local Responsibility for Cotton Imports Detailed**

95CE0378B Chongqing XINAN JINGJI RIBAO in Chinese 4 Mar 95 p 2

[Unattributed article: "Local Governments To Handle 1995 Cotton Imports"]

[FBIS Translated Text] In order to make up for the 1994 cotton procurement and marketing shortfall, the government has decided that local governments will import 10 million dan in 1995, the central government treasury providing the necessary subsidies.

The subsidies apply only to cotton purchased under the government cotton purchase plan with cotton imports for the country as a whole totaling 10 million dan. This does not include local imports not included in the central government total. The method for allocating subsidies is as follows: The central government treasury will disburse subsidy funds on the basis of the cotton import plans that the central government has assigned to each local government, the subsidy funds being paid to the finance department (or bureau) of each province, autonomous region, directly administered municipality, or municipalities listed under plan. Each local financial department will then pay the subsidy money at once to enterprises importing cotton as the imports occur. The method for making final settlement for subsidy funds is as follows. Each provincial department (or bureau) of finance will report the fulfillment of import plans and use of subsidy money to the Ministry of Finance for examination, verification, and final settlement following the signed agreement of departments (or bureaus) of foreign economic relations and trade, and departments (or bureaus) of textiles at the same level. The central government treasury will recoup the subsidy funds for portions of the import plan that have not been fulfilled. The central government treasury shall not be responsible for imports in excess of plan or for increased expenditures resulting from local jurisdictions having increased the subsidy standards.

New Chemical Fertilizer Base Planned in Hainan
OW1206141595 Beijing XINHUA in English
1236 GMT 12 Jun 95

[FBIS Transcribed Text] Hainan, June 12 (XINHUA) — A large chemical fertilizer plant will be built in Hainan province of south China.

The project will be jointly undertaken by the State Planning Commission, the Ministry of Chemical Industry, the China National Offshore Oil Corporation and the Provincial Government.

The island province is rich in natural gas resources. The Dongfang Structure in a sea basin near the Li Autonomous County alone has a gas reservoir of 40 billion to 60 billion cubic meters, according to the latest statistics released by the Nanhai Oil Corporation.

Offshore drilling in the area is going on, and a high-yield gas field, the Dongfang 1-1, is detected.

At present, a granulated chemical fertilizer plant has gone into operation in the county by using natural gas from another field in nearby Yinggehai waters.

***Heilongjiang Reports Corn, Rice Prices**
95CE0415Y Harbin HEILONGJIANG JINGJI BAO
in Chinese 24 Apr 95 p 3

[FBIS Summary] At present the corn procurement price in Heilongjiang Province is 1.00-1.10 yuan per kilogram, a 37 percent increase over the 0.80 yuan per kilogram in the same period last year. The retail price

of rice is 2.80-3.20 yuan per kilogram, a 100 percent increase over the 2.00 yuan per kilogram in June 1994.

Hubei Efforts To Protect Farmland Detailed
OW1306075895 Beijing XINHUA in English
0735 GMT 13 Jun 95

[FBIS Transcribed Text] Wuhan, June 13 (XINHUA) — Central China's Hubei Province has taken steps to increase administration of land use, in a bid to protect farmland.

To curb the loss of farmland, the province has promulgated several regulations in recent years, including one on land administration, and the Implementation Regulation of Hubei Land Administration and the Regulation Concerning Farmland Protection.

The province handled more than 7,000 cases of illegal use of farmland and about 300 hectares of farmland were returned to farmers. In the past several years, the province has protected more than 1,300 hectares of farmland from being used for non-agricultural projects.

The province has also taken steps to expand farmland, and some counties have encouraged farmers to open up barren areas by giving them subsidies.

Because most of the land has been lost to development zones, the province has stipulated that development zones cannot occupy an area of more than 33 hectares, and put 80 percent of its farmland under protection.

East Region**Fujian To Develop Ocean Economy**

OW1306084295 Beijing XINHUA in English
0742 GMT 13 Jun 95

[FBIS Transcribed Text] Fuzhou, June 13 (XINHUA) — East China's Fujian Province will increase its efforts to develop the ocean economy this year in order to make up for the province's shortage of arable land.

Jia Qinglin, secretary of the province's Party Commission, said that because Fujian's per capita arable land is only 1.57 m [meters], "the province will have to seek a living from the ocean."

He said that the province will cultivate muddy tidal flats for fisheries and crops, while the mining, tourism, and chemicals industries will also need more investment in the years ahead.

The official said that Fujian will also need to expand its handling capacity at ports, which have reached their limit.

He said that the province will construct container, coal, and multi-function wharfs at Fuzhou, Xiamen, and Meizhouwan Ports, adding that foreign companies are welcome to invest and build wharfs for their own use in these ports.

Jiangsu Ends Meeting on Studying Deng's Theory

OW1306110895 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 2 Jun 95

[From the "702 Morning News" program]

[FBIS Translated Excerpt] A provincial meeting of city party committee propaganda department directors and key persons in charge of press organizations in the province ended in Xuzhou yesterday [2 June].

The meeting concentrated on studying the just-published program for studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. It underscored the need to study the program as part of the plan to study the theory on building socialism with Chinese characteristics so as to provide a powerful theoretical weapon and an ideological motive force for reform, opening up, and modernization. The meeting also relayed relevant guidelines, and examined and planned priority propaganda tasks for the latter half of this year.

At the beginning of the meeting, Wang Xialin, provincial party committee standing committee member and propaganda department director, discussed the program's nature, significance, main content, and structure. He also outlined the requirements for and key aspects

of studying the program. After earnestly reading the entire program, participants shared what they had initially learned.

Wang Xialin spoke at the meeting. After briefly reviewing the province's propaganda work since the beginning of this year, he focused on making plans for propaganda work during the latter half of this year. He emphasized: Meticulously organizing cadres with party membership throughout the province to study the theory on building socialism with Chinese characteristics is an important duty of party committees at all levels and the primary task of propaganda departments. All localities should attach importance to studying the program, and meticulously organize and unremittingly carry out efforts in this respect in accordance with the three-year plan for studying theory and the party constitution.

Wang Xialin said: The provincial party committee takes the news media very seriously and harbors great expectations for them. Propaganda and media departments at all levels must take the overall situation into account; focus on propaganda about the economy; step up efforts to publicize spiritual civilization; correctly guide public opinion; work conscientiously and in a down-to-earth manner to improve the standards of news propaganda; run first-rate newspapers and radio and television programs; and cultivate and groom a number of prominent reporters, editors, and program hosts.

Speaking on promoting and developing socialist cultural programs, Wang Xialin noted: We should formulate and implement as soon as possible a three-year program for encouraging the annual production of five good cultural products as part of the province-wide drive for spiritual civilization. We should focus on movies, novels, and creative works for children, and strive for breakthroughs in producing works featuring reform, opening up, modernization, children, and ethics.

Wang Xialin also unveiled a number of major events during the latter half of this year. He urged all localities and propaganda and cultural departments to meticulously organize efforts to publicize commemorative activities on the 50th anniversary of victories in the War of Resistance Against Japan and in the world's antifascist War. He also urged them to actively cooperate in publicizing the Fourth World Conference on Women, and to conduct propaganda on becoming courteous citizens, on building a civil city, and on successfully hosting the Third Intercity Games. He urged them to intensify ideological and political work at the grass-roots level in urban and rural areas, and to extensively carry out activities aimed at promoting good practices in the cities and at building cities with good sanitation. [passage omitted]

Jiangxi Secretary Inspects Newspaper Headquarters
HK1206063095 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 27 May 95

[FBIS Translated Text] Yesterday morning, provincial party committee Secretary Wu Guanzheng held talks with JIANGXI RIBAO editors and reporters and urged all newspapers to further improve propaganda quality, achieve better propaganda results, and contribute more to the province's two civilizations building.

Early yesterday morning, accompanied by Lu Xiuzhen, provincial party committee deputy secretary, and Zhong Qihuang, provincial party committee standing committee member and secretary general, Secretary Wu Guanzheng arrived at the headquarters of JIANGXI RIBAO, provincial party committee's official paper, to see the staff and the workers. He held talks and discussed with the paper's editors and reporters ways and means of improving JIANGXI RIBAO and making JIANGXI RIBAO duly play its role as a party paper.

Secretary Wu Guanzheng and other provincial leaders also listened to work reports made by comrades in charge of JIANGXI RIBAO and fully affirmed JIANGXI RIBAO's contributions. They expressed the hope that the paper's staff and workers will make redoubled efforts to emancipate the mind; seek truth from facts; persistently take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as a basic guide for news work; guide the broad masses with correct public opinion; turn the paper into a better guide for people; make the paper become more readable and more interesting; write and publish more news reports, especially reports on the broad masses of cadres and people working in the forefront; reflect realities of life and eulogize advanced models and experiences in material civilization and spiritual civilization building; make the paper really depict reform, construction, masses, and livelihood and become more welcome to the broad masses of readers; and enable the paper to make more contributions to the province's reform, development, and stability.

Railway Boosts Southern Jiangxi's Prosperity
OW1306075795 Beijing XINHUA in English
0703 GMT 13 Jun 95

[FBIS Transcribed Text] Nanchang, June 13 (XINHUA) — The Beijing-Kowloon (Jingjiu) Railway, the biggest railway project China has ever undertaken, is boosting the local economy in the southern part of east China's Jiangxi province.

China's third transport artery from north to south, the railway is scheduled to have all track-laying completed by the end of this year. With more than 80 percent of

the construction of the Jiangxi section completed, the former revolutionary base which had lagged behind in China's recent economic growth, is showing signs of some prosperity.

Wen Shilin has a furniture store called the Golden Rooster. Two years ago, the former carpenter, who is in his thirties, opened a furniture manufacturing business with money he made in Guangdong and Sichuan provinces. Now employing more than 70 workers, Wen sells his furniture to Fujian, Guangdong, and Hunan, and makes a net profit of 300,000 to 400,000 yuan each year.

He says that his business site gives him access to easy transportation, and he plans to sell his furniture to metropolises such as Beijing and Shanghai, using the Jingjiu railway.

Ganzhou Prefecture has an area of nearly 40,000 square kilometers and a population of 7.5 million. Although close to economically developed coastal areas such as Guangdong and Fujian, the former Red Army base suffered from underdevelopment due to its isolated geographical location.

Qiu Luxin, commissioner of the prefecture's administrative office, said construction of the railway, the first railway running through the prefecture, has benefited the local economy. Last year, the prefecture had a local GDP of 12 billion yuan, 16 percent over the previous year.

He gave the local building materials industry as an example, in its cooperation with railway construction authorities, to increase local cement production capacity to 3.2 million tons from 800,000 tons. Some 600,000 tons were used in the construction of the Ganzhou section of the railway, and much of the rest has been sold in other provinces such as Guangdong.

He explained that the railway project has also given an impetus to local service industries, such as food and transportation, as well as the development of local resources such as granite, bamboo and sand.

The prefecture is also planning a big cement production line, fiberboard and granite production, and a large coal burning power plant along the railway, which can bring coal which the region needs, and take out building materials and local farm and sideline products. "Southern Jiangxi has entered the initial stage of an economic boom." Qiu said.

Shandong Employment Work Conference Ends 9 Jun

SK1006083995 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Jun 95

[FBIS Translated Text] The provincial employment work conference ended in Jinan on 9 June. The conference put forward ideas and methods for Shandong's employment work.

Song Fatang, deputy secretary of the provincial party committee and vice governor, attended and addressed the conference.

During the past few years, Shandong Province made continuous efforts to control its unemployment rate within 3 percent. Last year the non-state economic sector arranged jobs for 143,000 unemployed workers in the urban areas, accounting for 68 percent of the total number of workers waited for placement. Thus, the non-state economic sector has become the main channel for providing jobs for unemployed workers. During the recent five years, an average of some 400,000 surplus laborers in the province's rural areas moved to the urban areas to engage in industry, building industry, and various kinds of service industries every year. Enterprises themselves initially formed a new mechanism whereby all kinds of professionals can be mutually regulated. Governments and labor departments at all levels organized surplus workers to develop tertiary industry and to provide for and help themselves by engaging in production. During last year alone, the province arranged jobs for 30,000 unemployed workers, and the reemployment rate of the unemployed workers reached 43 percent, up 20 percent over the previous year. At the same time, the building of employment service departments have been strengthened; the four major pillars, namely: outplacement, job-training, unemployment insurance, and labor supporting enterprises, have all attained a preliminary scale.

In his speech, Song Fatang pointed out: In the days to come, the general demands of employment work are to properly handle the relationship between expanding employment with reform, development and stability and comprehensively attain the goal of arranging jobs for as many unemployed workers as possible in an effort to promote sustained economic development, smooth progress in reform, and social stability and unity.

Shandong Holds Conference on Investigating Crimes

SK1006080195 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Jun 95

[FBIS Translated Text] The provincial conference on investigating criminal cases was held in Jinan on 9

June. Tan Fude, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, presided over and addressed the conference.

Since the beginning of this year, the province as a whole has filed 1,728 major and appalling cases for investigation. Of these cases, 333 involved cadres at and above the county level; 2,861 personnel of party and government organs, judicial organs, administrative law-enforcing organs, and economic management departments involved in the cases were given party disciplinary sanction; and 660 personnel of state organs were punished in line with political discipline.

Tan Fude stressed at the conference: There are some grim situations in the face of the current investigation of criminal cases. Discipline inspection and supervision organs at all levels should further enhance their understanding; uphold the principle of running the party strictly and strictly maintaining order; do a good job in selecting priorities; advance despite difficulties; achieve breakthroughs in investigating and handling major and appalling cases; strengthen party building and administrative honesty; and make greater contributions to promoting economic development and social stability in the entire province.

Shandong Posts, Telecommunications Conference Ends

SK1006071795 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Jun 95

[FBIS Translated Text] It was learned from the provincial posts and telecommunications planning construction conference, which ended on 9 June, that a new situation of more rapid development will emerge in Shandong's posts and telecommunications work in the coming several scores of years.

As presented by this conference, during the recent two years, Shandong Province invested a total of 6.28 billion yuan in posts and telecommunications construction, nearly eight times the investment made during the Seventh Five-Year Plan period. The province's long-distance data-transmitting network, mobile telephone network, group switchboards network, wireless transmitting network, and teleconference network have all been basically built. This year the posts and telecommunications departments will further accelerate the pace of building posts and telecommunications projects in the whole province. Within this year, the province as a whole will increase to 700,000-line telephone switchboards in the urban and rural areas, and to 60,000 long-distance automatic telephone switchboards. The whole province's comprehensive telecommunications capacity,

equipment and technological levels, as well as service functions will jump to a new height.

Shanghai To Rely on Industry; Seeks 14% Growth

HK1306051495 Hong Kong AFP in English
0422 GMT 13 Jun 95

[FBIS Transcribed Text] Shanghai, June 13 (AFP)—Shanghai will target a 14 percent economic growth rate driven more by industrial output than by the financial sector, a newspaper reported Tuesday.

The Shanghai Star quoted Mayor Xu Kuangdi as recently telling an industrial working conference that a 14 percent growth rate would assure China's economic powerhouse of a speedy and balanced development.

"Growth must rely on industry rather than less certain business areas of markets and securities," he said.

The industrial sector grew 21.4 percent in 1992, 18.3 percent in 1993 and 17.1 percent in 1994, and was targeted to grow 15 percent this year.

"Speedy industrial growth guaranteed the swift growth of the local and national economies," Xu said.

The municipal statistical bureau forecast in January that Shanghai's gross domestic product would grow at between 10 percent and 12 percent this year after growing at an average rate of 14.7 percent in the previous three years.

The six pillar industries of autos, telecommunications, steel, power station equipment, petrochemicals and household electric appliances produced a combined 44 percent of Shanghai's entire industrial output value.

Shanghai Issues Circular on Studying Deng's Theory

OW1206131895 Shanghai People's Radio Network in Mandarin 2300 GMT 3 Jun 95

[From the "990 Morning News" program]

[FBIS Translated Text] With a view to earnestly implementing the guidelines of the circular issued by the CPC Central Committee on studying the "Program for the Study of Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics," the Shanghai CPC Committee issued a circular the other day on conducting an in-depth study of the *Selected Works of Deng Xiaoping*.

The circular notes: In order to help the broad masses of party members, cadres, and the general public to study — in a deep-going manner — Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the Central Propaganda Department has

compiled the "Program for the Study of Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics." In a recent circular on distributing the program, the CPC Central Committee explicitly designates the program as a key supplementary material for study of the *Selected Works of Deng Xiaoping* and the theory on building socialism with Chinese characteristics by all leading party cadres at and above the county and section level. The program is also available for the broad masses of party members, cadres, and the general public.

To implement the guidelines of the central circular, the Shanghai CPC Committee issued a circular:

1. Party committees at all levels must make additional efforts in implementing the CPC Central Committee's decision on studying Volume 3 of the *Selected Works of Deng Xiaoping*, organize party members to study, in a thorough and deep-going manner, Comrade Deng Xiaoping's writings, and incorporate the study of the program into plans for studying the theory on building socialism with Chinese characteristics. The program, which is a rather comprehensive and concise summation of ideas contained in the *Selected Works of Deng Xiaoping*, will help readers understand the scientific system of the theory on building socialism with Chinese characteristics.

2. In studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, we must grasp "emancipating our minds and seeking truth from facts," which makes up the essence of his theory. It is necessary to focus on "What is socialism?" and "How do we build socialism?" — which are the fundamental theoretical issues of primary importance — and achieve a thorough understanding of them.

3. In studying the program, we must integrate theory with practice. The study should be linked with the current tasks, the state of the mind, the implementation of the party's basic line, the accomplishment of tasks set by the CPC Central Committee, and implementation of the guidelines of the Third Plenary Session of the Sixth Municipal CPC Committee.

4. Leading cadres at all levels must take the lead in earnestly studying the *Selected Works of Deng Xiaoping*.

5. Theoretical, media, and publishing departments must step up the study and publicity of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

Shanghai Transforms Downtown Into Business Center

*OW0906155795 Beijing XINHUA in English
1525 GMT 9 Jun 95*

[FBIS Transcribed Text] Shanghai, June 9 (XINHUA) — "The Donghai Business Capital" formally opened today on the city's busiest street, Nanjing Road, replacing the former "Donghai Building," which housed some 20 municipal government agencies.

The 36,000-square-meter building is now the largest modern shopping center in Shanghai.

This shows that China's largest city is indeed stepping up efforts to turn downtown areas into business districts, both government officials and business people here agreed today.

The project has been carried out in accordance with the city's development plan to transform it into an economic, trade, and financial center for the Far East in the coming century.

The municipal government has decided to turn a downtown area of around 100 square kilometers into a central business district, and the former Donghai Building was inside the designated district.

What is even more noteworthy, the municipal government itself on July 1 this year will move out of the building, which housed the Bank of Shanghai and Hong Kong before 1949, to a new site outside the central business district.

The vacant office building is up for rent for mainly financial institutions. In fact, more than 20 foreign branch banks and many Chinese banks in the district have helped make it a financial center.

In order to squeeze greater profits out of land in the downtown area, city planners have also moved industrial production to the suburbs. Some 2.7 million square meters of land used by industry in the city center have been leased to the service sector.

Many factories used the profit from the land change to update equipment and acquire new technology.

Local Party chief Huang Ju says that a goal has been set for Shanghai to "be reasonably structured, with appropriate functions, well equipped, economically advanced, modern, with a beautiful environment" by the year 2010.

Exhibition Held To Mark Anti-Fascist War

*OW1006125195 Beijing XINHUA in English
1122 GMT 10 Jun 95*

[FBIS Transcribed Text] Shanghai, June 10 (XINHUA) — The Third Philately Exhibition of Shanghai, featuring the anti-fascist war, opened today at the Exhibition Center of Shanghai.

The event was also designed to mark the 50th anniversary of the end of World War II and the 50th anniversary of China's victory against Japanese invaders, said an organizing official.

On display are 50,000 philatelic items in 80 categories, which are contributed by various philatelic organizations and individuals, 70 percent of which are displayed for the first time.

Most of the exhibits are rare and commemorative stamps and envelopes used during the war periods. They will help visitors retrospect the courageous fighting of different peoples of the world, China in particular, against the fascist invaders, according to the sponsors of the exhibition.

The exhibition is launched by the Shanghai Posts and Telecommunications Administration and eight local newspapers.

Symposiums and lectures to spread anti-fascist ideas and skills of stamp collection will also be held during the exhibition.

Shanghai Government Offices Move to New Location

OW1206130095 Shanghai People's Radio Network in Mandarin 2300 GMT 4 Jun 95

[From the "990 Morning News" program]

[FBIS Translated Text] The Shanghai Municipal People's Government issued a public notice today, saying that beginning 1 July 1995, organs of the Shanghai Municipal People's Government will move to and handle official business at 200, Renmin Dadao [200 Renmin Avenue], moving from 12, Zhongshan Dongyilu [12 Zhongshan East First Road]. The postal code of the new address is 200001 and the telephone number remains the same, that is, 321-2810.

Zhejiang Telecommunications Stock Company Opens

*OW1206171895 Beijing XINHUA in English
1336 GMT 12 Jun 95*

[FBIS Transcribed Text] Hangzhou, June 12 (XINHUA) — The first telecommunications stock company in

Zhejiang Province in East China was set up last week, as the first step in an all-round restructuring drive in this traditionally state-run sector.

The Hangzhou Difo Telecommunications Stock Company Ltd is jointly funded by 14 entities including the city's Telecommunications Directorate, the government-owned Hangzhou Telecommunications Development Corporation and some affluent industrial and financial companies.

To date, the stock company has absorbed 110 million yuan (13.2 million US dollars), and the city's Telecommunications Directorate holds most of the corporate shares.

The board of directors of the company has settled on a hi-tech-oriented blueprint for the company.

Included will be technical project management, network development, information services and real estate business.

In addition, the company will import a number of new telecommunications services during the current testing phase.

Central-South Region

Shenzhen To Maintain Preferential Policies

HK1106040095 Hong Kong AFP in English
0139 GMT 11 Jun 95

[By Peter Lim]

[FBIS Transcribed Text] Shenzhen, China, June 11 (AFP) — Shenzhen is fighting a rearguard battle against the Chinese taxman to keep its reputation as the communist country's capitalist paradise. As Beijing bureaucrats eat into the privileges of the Special Economic Zone bordering Hong Kong, foreign investors are turning away from the city where dozens of skyscrapers have shot up from its explosive growth in the past decade.

"With no preferential tax incentives, foreign and Chinese investors are moving northward, particularly to Shanghai," said Wang Hua, who is returning to the eastern coastal province of Jiangsu after six years in Shenzhen that saw him become a foreign exchange and stock broker. "Money is hard to come by now," he said. "I will have greater opportunities at home, close to Shanghai."

Shanghai, China's biggest city, is now the central government's priority target for economic development. And with the government also shifting preferential tax policies to other underdeveloped regions, the state-approved capitalist enclave is losing its glitter. Since 1985, Shenzhen and economic zones in Hainan, Zhuhai, Shantou and Xiamen, have accounted for about a fifth

of foreign investment in China each year. The figure peaked at 28 percent in 1989 but fell to 18 percent last year. The zones accounted for 14 percent of China's exports last year, most coming from Hong Kong and Taiwan owned processing joint venture.

Shenzhen, in particular, built up a reputation as a place where the streets were paved with gold. But the number of Chinese visitors wanting to see its wonders has dropped significantly. Once, tens of thousands came each day. Now there are just a few thousand. And many complain it is China's most expensive city.

Ticket scalpers are conspicuous by their absence from the stately Shenzhen railway station. "You can buy your ticket anytime for the next train," said train station master Leung Baoren. Not long ago you had to book well in advance. Cheap foreign-made goods have disappeared from shops since the zone was stopped from letting foreigners and overseas Chinese bring in duty-free goods, including vehicles, motorcycles and other electrical household items. "We can buy anything back home now and cheaper," said Jin Rong, a visitor from the city of Shenyang.

Hotels are searching for "economic efficiency" undermined by a government drive against prostitution and gambling. To avoid an unsavoury police raid, many hotels offer rooms on an hourly basis between 10:00am and 6:00pm for "business negotiations." "What can we do if prostitutes and gamblers rent the room," said the assistant manager of one establishment. "The hotel owners need money to keep going."

Shenzhen officials admit the importance of the special economic zones has weakened as development in other regions gathers pace. The city economy grew at an average annual rate of 31.7 percent in the past five years, but last year's annual growth rate was 27.9 percent. In the first four months of this year, Shenzhen's industrial production fell to 14.7 percent, compared with a national average of 17.5 percent. The fastest growing provinces in terms of industrial output are now in eastern China. Jiangsu's economy grew by 29 percent last year and Zhejiang by 47 percent, according to official figures.

The Shenzhen government is trying to persuade the central government not to raise the basic 15 percent tax level — half the normal rate — which is one of a range of perks offered to foreign investors. At the same time, it is trying to cutback the 174 fees levied on investors considered unnecessary. "We will insist on the 15 percent tax level," newly-elected mayor Li Zibin told a recent government meeting. But Li admitted "Shenzhen can no longer rely on special treatment for development" and needs to "undertake further reform."

One way will be to gradually integrate with Hong Kong, which reverts to Chinese rule in two years. The city government aims to improve management and the investment environment, perfect industrial structure, and strengthen the legal establishment to boost ambitions to become a regional finance, trade and transport centre by the next century. "The proximity of Hong Kong is an irreplaceable advantage for Shenzhen when compared with the other regions in China," Li said.

Shenzhen's Favorable Policies Toward OEM Firms

HK1206063695 Hong Kong HONGKONG STANDARD (FINANCIAL REVIEW) in English 12 Jun 95 p 1

[By Peter Chan in Shenzhen]

[FBIS Transcribed Text] The Shenzhen city government will implement more favourable policies for foreign-funded OEM (original equipment manufacturing) companies. The move is in line with the zone's latest economic policy objective to focus once again on industrial development.

Local officials endorsed the policy change at a meeting last week. Details include:

— OEMs will be exempt from value-added tax on goods manufactured for export and the processing fee received. The firms charge a processing fee to customers who provide the equipment and materials for manufacturing.

— Newly established OEM factories holding an operation licence of more than 10 years will be exempt from profit tax during their first two years of operation. The profit tax rate is half that of the regular rate during the third to fifth years of production.

— Goods will be sold on the domestic market if the government finds them to be in critically short supply on the market and has approved their sale. This provision is in line with similar provisions at the national level and those in Guangdong province. Shenzhen's policies may occasionally differ from those of the Guangdong provincial government and central government because the area is a special economic zone.

— OEM factories will be allowed to own private cars which can be driven directly across the Shenzhen-Hong Kong border if the firms meet specified output requirements. Ownership of private cars for business and private use was once strictly regulated in Shenzhen to stop the already bad traffic congestion from deteriorating.

— Companies providing OEMs with business services will reduce their charges to encourage investment.

A local policy analyst said the new regulations illustrated Shenzhen city government had recognised indus-

trial development as a major driving force behind the zone's economic development. "This is actually a shift from Shenzhen's policy objective some two or three years ago, which aimed at establishing a service economy in Shenzhen," the analyst said. "It is partly the result of the lacklustre property market in Shenzhen in the past 18 months."

Kwan Wai-kay, managing director of Boldfront Limited, a major watch case manufacturer which established a production base in the area three years ago, welcomed the new policies. "We now feel much more confident investing in Shenzhen with the city government's encouragement," Mr Kwan said. "We've actually cancelled plans to relocate operations to Dongguan as we originally expected the environment for industrial investment to worsen instead of improve."

'Comfortable Housing' Project Benefits Guangxi

OW1206094595 Beijing XINHUA in English 0854 GMT 12 Jun 95

[FBIS Transcribed Text] Nanning, June 11 (XINHUA) — More and more people with housing difficulties in southwest China's Guangxi Zhuang Autonomous Region are benefiting from the region's "comfortable housing" project.

Guangxi has invested a total of 1.5 billion yuan (178.57 million US dollars) in the construction of residential quarters in the past two years with construction space totalling 2.88 million sq m [square meters]. Some 48,000 households with housing difficulties with an average living space of less than 4 sq m have moved into new apartments.

The Guangxi regional government has granted the "comfortable housing project" a series of preferential policies in terms of land allotment, construction planning and designing.

Meanwhile, the government has tried every means and through various channels to raise funds for housing construction.

According to local sources, there are still 80,000 households in Guangxi who have housing difficulties. And the number is expected to increase at the rate of 13,000 every year.

To further ease housing shortage, the Guangxi government plans to invest 1.8 billion yuan (214.29 million US dollars) in building "comfortable housing" residences totalling 3 million sq m in the years to come.

Guangxi Expands Social Insurance Coverage

*OW1306111395 Beijing XINHUA in English
0923 GMT 13 Jun 95*

[FBIS Transcribed Text] Nanning, June 13 (XINHUA) — More than 1.52 million workers in 16,000 enterprises in the Guangxi Zhuang Autonomous Region, in Southwest China, have taken policies of unemployment insurance.

The unemployment insurance coverage has been expanded to embrace the state sector as well as collectively-owned and foreign-funded firms.

Social insurance departments have provided relief funds for those who had been laid off by enterprises as a result of reforms of the existing industrial structure.

Some 1.38 million yuan have been distributed to local unemployed workers as allowances early this year.

The region stresses the need for professional training and re-employment in helping the unemployed. Local unemployment agencies have offered new jobs for 11,100 unemployed workers, half of the total in Guangxi.

Enterprise Groups Spur Economic Growth in Hubei

*OW1206171295 Beijing XINHUA in English
1451 GMT 12 Jun 95*

[FBIS Transcribed Text] Wuhan, June 12 (XINHUA) — Enterprise conglomerates have become a new driving force behind economic growth in central China's Hubei Province over the past few years, according to the Hubei provincial government.

An official of the Provincial Economic and Trade Commission said that Hubei now has 160 enterprise groups specializing in a whole range of traditional industries, including machinery, textiles, petrochemicals and metallurgy.

They contribute 80 percent to profits and taxes generated by all state-owned enterprises in Hubei, the official said.

He said that 62 major groups account for 56 percent of the total earnings of manufacturers practicing independent accounting from sales and 30 percent of Hubei's exports.

The provincial government has taken effective measures to step up the readjustment of enterprise structure to encourage enterprises to launch conglomerates, he said, adding that 30 enterprise groups have been set up a year since 1993.

Twenty enterprise groups now record total annual sales exceeding two billion yuan. The annual sales of the Wuhan Iron and Steel Group, the Dongfeng Automobile

Industry Group, the Huazhong Power Group and the Sanjiang Group approach or top 15 billion yuan.

To date, 29 enterprise groups have been granted the authority to handle imports and exports independently, the official said.

Over the past few years enterprise groups have taken over or merged with 400 inefficient companies, putting assets worth 800 million yuan to good use.

Hubei's GDP Increases 15.2 Percent

*OW1306082195 Beijing XINHUA in English
0740 GMT 13 Jun 95*

[FBIS Transcribed Text] Wuhan, June 13 (XINHUA) — Central China's Hubei Province has pledged to grow even further from an industrial and agricultural province to an economic power, according to top provincial official Jia Zhijie.

Hubei's economy developed rapidly in recent years with the gross domestic product (GDP) reaching 182 billion yuan last year, an increase of 15.2 percent over the previous year.

Industrial output last year amounted to 220.3 billion yuan-worth, up 25 percent over the previous year, leading the central and western parts of the country, and actual use of foreign investment climbed to a record 840 million U.S. dollars.

"This has paved the way for revitalization of our economy," said Jia, secretary of the Hubei Provincial Committee of the Communist Party of China (CPC), in an interview with XINHUA recently.

Located on the middle reaches of the Chang Jiang River, Hubei is known as a land of plenty, and is an old industrial base in addition to being one of China's key agricultural producers.

The province's economic development ranked among the first in the country in the 1960s and 70s, and has gone up and down since the mid-1980s.

"This was partly the result of the state's shifting focus of development to the coastal areas," Jia opined, "but the main cause lay in the deep-rooted ideas of the centrally planned economy."

Jia was sent to study petroleum, machinery, refining and chemical industry equipment in the former Soviet Union in the 1950s, and worked as a technician, engineer, factory director, and then governor of Gansu Province after returning home. He is quite familiar with the economy.

According to Jia, from now until early next century is a good time for China to speed up its development, and Hubei "must use the opportunity."

Hubei will make full use of its geographical location to introduce advanced technology and equipment and then pass the benefits on to remote areas.

Construction of a number of state capital projects will offer the province a chance to develop its industries. Included in these are the Three Gorges Project, the world's largest water conservancy project, which will need a large amount of building materials, machinery, and power and telecommunications equipment; the transformation of the Wuhan Iron and Steel Complex, scheduled to boost annual production from 10 million tons to 15 million tons; and the motor vehicles producing center with the Dongfeng Automobile Corporation as its core, designed to turn out one million motor vehicles each year.

The construction of the key state projects will help the province in its urbanization, according to Jia. Hubei has formed a city cluster with Wuhan, the capital city as its core, along with Huangshi, Jingsha, Yichang and Xiangfan. This city group is similar to that in the Pearl River Delta and the Chang Jiang River Delta.

Jia disclosed that Hubei Province will focus on farm capital work and efficient agriculture to promote the overall rural economy while speeding up infrastructure construction.

According to a plan, Hubei's gross domestic product will reach 400 billion yuan by the end of this century.

Hubei's Wuhan Biggest Air-Traffic Hub in Region
OW1206102495 *Beijing XINHUA in English*
0842 GMT 12 Jun 95

[FBIS Transcribed Text] Wuhan, June 12 (XINHUA) — Zhang Chuanyou, a resident of the provincial capital in central China's Hubei Province, still remembers all the troubles he had to go through just to get a plane ticket to Hefei in east China's Anhui Province in the summer of 1992 - queuing for 12 hours before finally getting the ticket.

Faced with this time and energy consuming prospect, many people preferred riding the heavily-crowded trains rather than suffer the pain of trying to get a plane ticket.

But, that was three years ago. Today, travelers find it quite easy to buy a plane ticket in any of the 120 ticket offices located around the city, thanks to reforms in the city's aviation business started in August of 1992, which have greatly improved the city's ability to handle air traffic.

According to statistics released by local aviation authorities, 66,000 plane tickets are provided each week, a growth of 370 percent from 1992. The city has 59 domestic flights each day, an increase of 170 percent over 1992. The number of passengers reached 1.71 million last year compared with 800,000 in 1992, representing an annual increase of 56 percent, and cargo reached 107 million tons last year, 53 times 1992's figure.

Wuhan now has air routes everywhere across the country, with the exception of Tibet, Ningxia and Qinghai, with a total length of 100,000 kilometers, making it the biggest air traffic hub in central China.

Wuhan Airlines and the Hubei branch of China Southern Air, the two Wuhan-based airlines, are the chief carriers, having leased or purchased new Boeing planes such as the Boeing 737-300 and Boeing 737-500 to replace their old planes.

With these new planes, Wuhan Airlines now flies to more than 20 cities in China with 110 flights weekly, while the Hubei branch of China Southern Air flies to 49 domestic destinations with 288 flights weekly.

A total of 21 domestic airlines are expected to name Wuhan as one of their destinations soon, since Tianhe International Airport opened for service on April 15, 1995.

Facing some stiff competition from other airlines, the two local airlines are adjusting their management strategy and improving service, as well as opening flights to Japan, Korea and Southeast Asia.

Southwest Region

Sixth Tibet People's Congress Ends 3d Session
OW0806130395 *Lhasa XIZANG RIBAO in Chinese*
26 May 95 p 1

[Report by XIZANG RIBAO correspondent Zhang Lei (1728 7191): "The Third Session of the Sixth Tibet Autonomous Regional People's Congress Concludes Successfully"]

[FBIS Translated Text] After having smoothly completed all its agenda, the Third Session of the Sixth Tibet Autonomous Regional People's Congress [TARPC] successfully concluded with the majestic national anthem on the afternoon of 25 May.

The closing ceremony was presided over by Raidi, executive chairman of both the presidium of the session and the session.

Executive Chairmen Puqung, Senggen Lozong Gyaincain, Pudoje, Namgyai, Samding Doje Pamo Deqinquzhen, Gong Daxi, Tian Fujun, Baimaduoji, and Cui Jiguo were seated in the row in front of the rostrum.

Pagbalha Geleg Namgyai, vice chairman of the National People's Congress Standing Committee, was seated on the rostrum.

Chen Kuiyuan, Gyaincain Norbu, Guo Jinlong, Basang, Lieque, Zi Cheng, and Lu Huimin, leaders of the Tibet Autonomous Regional Party Committee; vice chairmen of the Tibet Autonomous Regional People's Government [TARPG]; vice chairmen of the Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference; leading comrades of the Tibet Military District, Tibet Headquarters of the Chinese People's Armed Police Force, Tibet Autonomous Regional Higher People's Court [TARHPC], and Tibet Autonomous Regional People's Procuratorate [TARPP]; and other members of the presidium of the session were seated on the rostrum.

The number of deputies who should have been present at the session was 445, but 127 of them were absent on leave for some reasons or on sick leave. Therefore, the number of deputies actually present at the session was 318, which made up a quorum.

Deputy secretaries general of the Sixth TARPC Standing Committee and comrades in charge of all the departments, bureaus, commissions, and offices of the TARPG; all the TARPG offices stationed in the hinterland; all the units directly under the CPC Central Committee; and all the prefectures, cities, and counties of Tibet were present at the session as observers.

The session unanimously adopted a resolution on the government work report. The resolution pointed out that the report's summing-up of the work done in 1994 is realistic and the tasks it sets for this year are encouraging, practical, and workable. The resolution called on the people of all nationalities in Tibet to rally closely around the party Central Committee with Comrade Jiang Zemin as the core, to comprehensively implement further the guidelines of the central authorities' third forum on work in Tibet under the direct leadership of the autonomous regional party committee, to seize the opportunity, to enhance vigor, to be dedicated heart and soul to the same cause, to advance in a pioneering spirit, and to work hard to usher in a new situation for work in Tibet.

The session unanimously adopted resolutions on the implementation of the plan for economic and social development in 1994, the plan for economic and social development in 1995, Tibet's 1994 financial settlement and 1995 fiscal budget, and work reports delivered by the TARPC Standing Committee, TARHPC, and TARPP.

The session also unanimously adopted a resolution on resolutely opposing the Dalai Lama's illegal announcement of the Panchen's reincarnation.

At the closing ceremony, Comrade Raidi delivered an important speech entitled "It Is the Sacred Duty of People's Deputies to Maintain the Unification of the Motherland, National Sovereignty, and the Authoritativeness of the Central Authorities." His speech pointed out that, in the year ahead, the people's congresses must actively fulfill their duties; vigorously strengthen the building of socialist democracy, the legal system, and themselves; give full play to the role of people's deputies; make new and greater contributions to accelerating Tibet's development and maintaining social stability; and greet Tibet's celebration of its 30th founding anniversary with concrete actions under the leadership of the regional party committee.

Elects 3 New Members

OW0806142595 *Lhasa XIZANG RIBAO* in Chinese
26 May 95 p 2

[*"Announcement of the Tibet Autonomous Regional People's Congress"*]

[FBIS Translated Text] In accordance with the relevant provisions contained in the "Organic Law of the PRC on Local People's Congresses and Governments at All Levels," the Third Session of the Sixth Tibet Autonomous Regional People's Congress [TARPC] elected Yi Sang [4135 2718], Yu Feng [0060 2800] (female), and Yixi Yangzong [4135 6007 1135 1350] (female) members of the TARPC Standing Committee through a by-election on 25 May 1995.

Their elections were announced by the Presidium of the Third Session of the Sixth TARPC on 25 May 1995.

Tibet Fights Splittism, Corruption

OW1306104795 *Lhasa XIZANG RIBAO* in Chinese
23 May 95 p 2

[By reporter Zhao Rengui (6392 0088 6311): "Region-Wide 'Courts and Procuratorates' Make Positive Contributions to Development and Stability"]

[FBIS Translated Text] People's courts and procuratorates at all levels in Tibet have faithfully performed the duties incumbent on them by the Constitution and by law. They have moved in accordance with the law to rigorously crack down on a small number of splittists and corrupt elements who practice graft and bribery, and have made positive contributions to upholding solidarity in the motherland, strengthening ethnic unity, maintaining social stability, and promoting reform, opening

up, and development. Their contributions have won approval from deputies and members who attended the "two sessions."

Last year, in light of the increased momentum in splitist activities, people's courts and procuratorates at all levels in the region gave priority to rigorously cracking down on splitists according to law, and intensified their crackdowns on splitists. Adhering to the principle of dealing heavy blows rapidly and rigorously, procuratorial organs rapidly made arrests and brought indictments against those involved as long as the facts surrounding the crimes were clear and conclusive evidence had been obtained. They also intervened in advance in the investigations and preliminary examinations of major cases by public security organs. People's courts at all levels unremittingly and rigorously cracked down on criminal activities that jeopardized state security, enhanced their functions, severely punished a batch of criminal elements who disrupted economic development and social stability, and protected the fruits of reform.

The phenomenon of corruption is a malignant social tumor abhorred by the masses. Last year, region-wide people's courts and procuratorial organs thoroughly carried out the key task of punishing those who committed such economic crimes as graft and bribery in compliance with popular will, under the unified leadership of the autonomous regional party committee, and in accordance with the principle of "being resolute first and cautious next, and making sure that we are precise." First, the "courts and procuratorates" investigated major cases. Second, they investigated crimes committed by leading cadres at and above the county level. Third, they investigated party and government organizations, justice and law-enforcement departments, and economic management departments. Last year, procuratorial organs conducted preliminary investigations on 109 cases of relevant crimes which involved 119 people, placed 76 of these cases and 84 people on file for investigation and prosecution, and closed 22 of them which involved 26 people. Region-wide people's courts, which regards punishing corrupt elements and promoting clean administration as an important measure in establishing the socialist market economy, tried 80 cases of relevant crimes which involved 91 people and over 11.2 million yuan, and used actions to declare the party and government's determination to punish corrupt elements to all social sectors.

During the Third Meeting of the Sixth Tibet Autonomous Regional People's Congress, Basang Pingduo [1572 2718 1627 1122], executive vice president of the autonomous regional higher people's court, and Tudeng Caiwang, acting chief procurator of the autonomous regional people's procuratorate, pointed out

that the "courts and procuratorates" would resolutely continue to crack down severely on the small number of splitists, and continue steadfastly and in a thorough manner the struggle of punishing those who commit such economic crimes as graft and bribery.

New Airport in Yunnan Begins Operation

OW0906165295 Beijing XINHUA in English
1620 GMT 9 Jun 95

[FBIS Transcribed Text] Kunming, June 9 (XINHUA) — A new airport linking Lijiang, a remote but attractive city in northwest Yunnan, started operation today.

The airport, which cost 140 million yuan, can accommodate Boeing 737 planes. It takes about 40 minutes to fly from the airport to Kunming, capital city of Yunnan, 375 kilometers from Lijiang.

Lijiang is known for its Dongba pictograph, distinctive ethnic culture, superb landscape, and snowy mountains.

Officially Opens 9 Jun

OW1106154995 Beijing XINHUA in English
1517 GMT 11 Jun 95

[FBIS Transcribed Text] Beijing, June 11 (XINHUA) — Lijiang Airport in southwest China's Yunnan Province officially opened to traffic Friday [9 June].

Located in the northwest part of the province, the airport can accommodate Boeing-737 passenger aircraft, according to local civil aviation officials.

The new airport is 375 km from Kunming, capital city of the province, with a flight time of 40 minutes. At present, there are three flights between Lijiang and Kunming per week.

The airport will greatly pave the way for local economic growth and help tap tourism resources in northwestern Yunnan, officials said.

North Region

Beijing Secretary Speaks on Scientific Policy

SK1006083195 Beijing BEIJING RIBAO in Chinese
23 May 95 p 1

[FBIS Translated Text] On 22 May, the municipal party committee and municipal people's government jointly sponsored a forum with 15 scientists and entrepreneurs to hear the personal understanding that resulted from studying the "Decision Made by the CPC Central Committee and State Council on Accelerating Scientific and Technological Progress" as well as to solicit opinions and suggestions from the participants on accelerating

the pace in the scientific and technological progress and economic construction of Beijing.

During the forum, Wei Jianxing, secretary of the municipal party committee, stressed: We must earnestly implement the policy decision made by the central authorities with regard to "Having Science and Education Make the Country Prosperous" as well as the demand put forward by the central authorities with regard to truly orienting economic construction onto the track of relying on scientific and technological progress and of upgrading the quality of laborers.

Attending the forum were municipal leaders including Li Qiyan, Tao Xiping, Hu Zhaoguang, Feng Mingwei, and Fan Yuanmo; academicians of the Chinese Academy of Sciences including Wang Shoujue, He Zuoma, Lu Yongxiang, and Chen Jiaer; noted scientists including Gu Fangzhou, Song Bingyi, Shen Shituan, Xu Guangwei, and Qian Zongjue; and noted entrepreneurs including Wang Xiaolan, Liu Haiyan, Ma Shouping, Duan Yongji, and Bao Yutong.

During the forum, the scientists and entrepreneurs contended that the strategic ideology put forward by the CPC Central Committee and State Council with regard to "Having Science and Education Make the Country Prosperous" indicates that scientific and technological development in China has entered a brand-new stage and greatly inspired the people. They also put forward specific opinions and suggestions on how to bring into play the capital's strong points in science and technology, how to readjust the industrial structure, and how to develop high-and-new tech industries. They expressed that they are willing to contribute to economic development and scientific and technological progress in the capital.

After earnestly hearing the opinions and suggestions raised by the scientists and entrepreneurs, Comrade Wei Jianxing made a speech in which he extended thanks to them for their many pertinent opinions and suggestions with a guiding significance. He stated: Beijing is not only a center of politics but also a center of science, education, and culture. The central authorities have instructed us that the municipality should serve the development of science and technology, education, and culture in the country. This has been decided by the urban function of Beijing. Therefore, we should regard the central instructions as an unshirkable task. The central authorities have also demanded the municipality, in building up its economy in the future, to have its foothold in conducting reform, reorganization, and renovations among existing enterprises; to increase the technical contents; and to upgrade economic results. They have also demanded the municipality not

to merely open more new projects. This has urged us to rely on science and technology. The municipality has strong points in science and technology because it possesses a large number of scientific research institutes and institutions of higher education. It is hoped various enterprises and units should make full use of these scientific and technological strong points and do a good job in conducting technical renovations and development. Meanwhile, they should pay attention to the mass activities of carrying out technical renewal and of offering rational suggestions, and should successfully rely on the intelligence and wisdom of the broad masses of staff members, workers, and scientific and technological personnel. They should also continue to broaden opening up and bring in advanced technologies from overseas. Besides, they should continuously summarize the experience gained in further perfecting the mechanism favorable for turning the scientific and technological results into productive forces as soon as possible so as to obtain coordination and to guarantee the implementation of the "Decision" in policies, systems, mechanisms, and conditions.

Wei Jianxing also pointed out: The key to successfully implementing the central decision lies in leading cadres. The broad masses of cadres must earnestly study the exposition of Comrade Deng Xiaoping with regard to "science and technology being the first productive force" as well as study more scientific and technological knowledge; should enhance their sense of science and technology; and should upgrade their consciousness in making policy decisions in a scientific manner.

Wei Jianxing also stated: It is a very good method for the municipality to periodically hold forums with specialists and scholars in Beijing to solicit their specific opinions. Hereafter, we should not only establish the system of holding forums to hear opinions, but also enhance overall arrangements and coordination so as to enable these forums to be better carried out in a planned manner and for aiming at specific issues.

Beijing Mayor on Readjustment of Economy

SK1006060195 Beijing BEIJING RIBAO in Chinese
26 May 95 p 1

[FBIS Translated Excerpt] On 25 May, Mayor Li Qiyan delivered a speech at the municipal conference on exchanging experiences gained in readjusting the economic structure, in which he stressed that efforts should be made to reinforce the dynamics in readjusting the economic structure and to score achievements in the readjustment realistically.

Since the mobilization meeting for the readjustment of economic structure, the municipality as a whole has

smoothly carried out the work according to the fixed plan and steps. Leadership at all levels have newly upgraded their understanding on the readjustment and attached great importance on the readjusting work. Various departments, fronts, and localities have generally carried out investigation and study in this regard, have known well the root of structure initially, and have defined the targets of readjustment plans and the schemes of enforcing readjustment, which have been suitable to their own reality. They have also enabled the readjusting work in the municipality as a whole to begin scoring results by vigorously engaging in exploration, boldly exercising practice, earnestly assigning units to take up pilot works, accumulating experiences, and by using typical cases to guide and promote the overall readjustment work. [passage omitted]

In his speech, Li Qiyan acknowledged that progress made by the municipality as a whole in readjusting the economic structure had been fine. He stated: The important directives given by the central authorities to the municipality represent an important guiding ideology for us to readjust the economic structure. The speech made by Comrade Wei Jianxing on the readjustment of economic structure has also defined clear demands in this regard. We must concentrate our efforts on readjusting the economic structure firmly, successfully, and unswervingly. It is because the readjustment represents a claim for accelerating the establishment of socialist market economic systems, a claim for maintaining the capital status of Beijing and for improving its urban function, and a demand for accelerating the construction of modernizations in the capital, as well as because the readjustment is in conformity with long-term and fundamental interests of the masses.

Li Qiyan demanded that efforts should be made to reinforce the dynamics in the readjustment and to score achievements in the work in this regard realistically. The key to scoring achievements lies in going into action in the work immediately and lies in principal leading personnel taking personal charge of the work. Currently, various departments and localities should concentrate their efforts on formulating or improving their own plans and schemes for the readjustment and enforce their plans and schemes as soon as possible. They must score periodical achievements in the readjustment this year. To truly score achievements, it is imperative to uphold the following several principles: First, it is imperative to bring into full play the role of scientific and technological progress and to upgrade scientific and technological contents in economic growth. Efforts should be made to integrate the enterprises' readjustment and relocation with technical renovations and developments of new products and new high-tech industries. Second, it

is imperative to do things strictly according to the demands set in the "Beijing Overall Urban Plan" and to consider the municipal construction and development on a long-term basis. Third, it is imperative to integrate the task of boosting the state-owned large- and medium-sized enterprises with that of establishing the systems of modern enterprises. Fourth, it is imperative to attach great importance on or to successfully deal with relations between readjustment and stability, to do a good job in conducting the ideological and political work, and to regard maintaining social stability as the premise of readjustment with a view to taking readjustment for promoting development and to taking the development for promoting stability.

Li Qiyan stated: Various departments across the municipality and particularly departments in charge of comprehensive economic management should make all-out efforts to support the readjustment of economic structure. Governments at all levels, various departments, as well as various industries and trades, should heighten their spirit, unite as one, and vigorously enable the work of readjusting the economic structure to score still greater achievements. They should also establish as quickly as possible an economic pattern with high quality and benefit, which is suitable to the capital's characteristics.

Attending the conference were Duan Bingren, Xia Qinlin, Lu Yucheng, Wang Zhitai, Fan Yuanmo, Yi Xiqun, Zhao Cheng, Zheng Yijun, and Zang Hongge. Li Runwu, vice mayor of the municipality, presided over the conference.

Hebei Secretary on Industrial Affairs

SK1006062295 Shijiazhuang HEBEI RIBAO
in Chinese 25 May 95 p 1

[FBIS Translated Text] From 4 to 24 May, the principal leading comrades of the provincial party committee and the provincial people's government—including Cheng Weigao and Ye Liansong—successively listened on five occasions to the reports given by the nine key trades on the industrial front in the province with regard to their experiences gained in readjusting the structure, in increasing economic results, and in enforcing the second strategic shifting. They also sponsored forums with the principal leading personnel of these trades, a number of specialists, and the responsible comrades of provincial level departments, to study or discuss their reports; to analyze the contradictions and shortcomings; to define guiding ideology; and to clarify the ideas of structural readjustment.

The irrational structure is an important reason for the low quality and economic results of industrial operation. During the crucial period between the coming end of the

"Eighth Five-Year Plan" and the start of formulating the "Ninth Five-Year Plan," it is very necessary to deeply study and discuss the province's issues of readjusting the industrial structure and of increasing economic results. This represents a big event of grasping implementation in the "year of implementation."

In their reports, the responsible comrades of nine key industries and trades—including machine-building, electronics, chemicals, building materials, light industry, textile industry, metallurgy, medical, and foodstuffs—described in detail their basic situation in economic development achieved since the enforcement of the "Eighth Five-Year Plan"; the current trend of development among the same industries and trades at home and abroad; the shortcomings cropping up among these industries and trades across the province; and their targets and measures to conduct structural readjustment during the "Ninth Five-Year Plan" period.

Since the enforcement of the "Eighth Five-Year Plan," the nine key trades on the industrial front in the province have accelerated their development. However, judging from the whole situation, the pace in structural readjustment is still slower and the contradiction in the irrational structure is still prominent. Major manifestations are as follows: 1) Products that have been initially processed are on the large side and those that have been processed in a precise way are on the small side. 2) The fashion of products has become old and the technical progress has been slow. 3) Products of famous trade marks that have enjoyed brisk sales and have high technical contents high added value, and high market occupation rate are few. 4) Factors that have made things difficult for enterprises to form scale and benefit include that independent enterprises are many, enterprise complexes are scattered, products are apt to assimilation, the level of products is low, and the construction of product projects has been duplicated. 5) The dynamics made by enterprises in exports is low.

During the forums, the leading comrades of the provincial party committee and the provincial people's government frankly voiced their own opinions with the participants on the issue of bringing about a change to the province's irrational industrial structure; on the issue of upgrading the benefit resulting from the optimized structure, the benefit resulting from the standardized management, and the benefit resulting from scientific and technological progress; and on the issue of accelerating development.

Hebei Higher People's Court Issues Work Report
*SK1006140495 Shijiazhuang HEBEI RIBAO
in Chinese 19 Mar 95 p 7*

[("Excerpt" of report on the work of the Hebei Provincial Higher People's Court given by Wang Yugong, vice president of the provincial higher people's court, at the third session of the Eighth Hebei Provincial People's Congress on 23 February]

[FBIS Translated Text] In 1994, under the leadership of the provincial party committee and party committees at all levels, under the supervision of the people's congress, and with the support of all related government departments, all levels of people's courts in the province met the call from the Supreme Court to "be strict in crackdowns to create momentum, be effective in handling major and important cases, make progress in adjustments of economic relations, and raise the standards of the administration of the law" in accordance with the general task of the entire party and state as well as the provincial party committee's overall arrangements for building an economically strong province. Courts at all levels in the province effectively achieved the administration of the law and made effective efforts toward reform, opening up, economic development, and social stability. In total, courts in the province accepted 234,433 cases of first, second, and further appeals of all types, an increase of 16.46 percent from the previous year; a total of 220,868 cases were closed, an increase of 15.63 percent from the previous year. The rate of closing cases was 94.21 percent.

I. Strictly Punish Severe Criminal Offenses, Maintain Social Stability

Last year, all levels of courts in the province continued to stand by the guidelines of severity and expediency according to law, and strictly punished all cases of severe criminal offenses. The number of criminal cases going through the first trial last year totaled 21,054, of which 20,010 were closed, with 18,710 criminals now serving their sentences. Among these, 6,747 were sentenced to set terms of imprisonment of five years or more, life imprisonment, or death (including those sentenced to death with a two-year reprieve); 11,320 were sentenced to less than five years imprisonment, detention, surveillance, or probation, etc.; 545 were exempt from criminal charges; and 98 were found innocent.

At the beginning of the year, the provincial court gave arrangements for all courts in the province to begin efforts in the "strict crackdown" war. According to the spirit behind the provincial party committee's "Spring Strategy" to suppress criminal offenses, all

levels of courts prevented and overcame feelings of slackness or war-weariness to establish a mentality for long-term combat. Their understanding, organizational leadership, deployment of work, and measures were in place; they replenished the force for trying criminal cases and closely coordinated with the public security and procuratorial organs to promptly try cases. In the three months of March, April, and May, first trials were completed for 4,818 cases, an increase of 26.09 percent from the same period the previous year. In July, after the Central Commission of Political Science and Law and the provincial party committee held work conferences to improve public order in rural areas, the courts in the province joined in the effective unified action to fight violent crime, criminal rings, local ruffians and bullies, bus and train marauders, major robberies, and destruction of communications and electrical facilities. The action successfully punished a group of criminals, hoodlums, and other evil forces. Last year, a total of 7,394 cases of major threats to public security went to trial and 9,091 criminals were sentenced, an increase of 10.1 percent and 15.16 percent, respectively. Meanwhile, courts in all localities focused on the needs of local environments and cracked down on whichever crimes emerged. Action was taken in the battle against robbery; kidnapping and trading of women and children; organized forced prostitution; the sale, production, and broadcast of pornography; illegal publication; and illegal religious activities. A total of 6,351 such cases were brought to trial, and 9,065 criminals were sentenced, curbing the spread of crime.

All levels of courts stressed "severity," "expedition," and "accuracy" in handling serious criminal cases. In bringing major criminal cases to trial, the courts insisted on understanding the case beforehand and on completing all preparations for trial. In cases already under prosecution, the courts focused their efforts on being expeditious in trying and closing cases. Last year, the province's courts closed 16,059 cases brought to first trial; 97.6 percent of these cases were concluded within one and a half months as ordered by law, a 0.57 percentage point increase from last year. In cases of major crime that severely affected public security, the courts were consistent in being heavy-handed within the scope prescribed by law. Those cases requiring severe penalties received severe punishments; those requiring the death penalty received the death penalty. In order to raise the quality of trials, all levels of courts stood by the "hard facts" ideology and insisted on the "two fundamentals," got to the truth of the matter, and solidified the evidence. There was no impunity for the guilty, and no innocents were wrongly charged. Where the law allowed for a lesser sentence or no penalties, the cases were treated realistically with severity, and

leniency was carried out consistently according to law. Last year, the standing committee of the provincial people's congress organized a task force to spot check death penalties and death penalties with a reprieve given by the provincial court. The task force declared the quality of the cases was dedicated to the guidelines of giving severe and prompt punishments according to law and consistent with the "two fundamentals." The task force also suggested ideas for work improvements which served to guide and supervise our strict execution of the law. In order to expand the social effects of the judicial process, all levels of courts undertook unified crackdowns and held public trials of major representative cases before such major holidays as 1 May, 1 October, New Year's Day, and the Spring Festival. These public trials served to glorify law and order, educate the public, and intimidate criminals. During the year, all levels of courts in the province held a total of 575 public trials, an increase of 44 trials from last year; judgments on 3,944 people from 2,396 cases were publicly announced, an increase of 10.87 percent and 15.15 percent, respectively, from the previous year.

II. Severely Punish Economic Crimes, Develop the Depth of the Battle Against Corruption, and Maintain the Order of the National Economy

Last year, all levels of courts in the province stood by the guidelines of heavy handed punishment and the philosophy of "first to be determined, second to be cautious, always be accurate"; they also cracked down on economic crimes as a measure in the battle against corruption. Emphasizing the trials of major and serious cases, the provincial courts tried 2,951 economic crimes, an increase of 53.62 percent from the previous year; 2,735 cases were closed, an increase of 51.61 percent from the previous year. Sentences that went into effect involve 2,930 criminals; of these, 889 persons, or 30.51 percent, were sentenced to five years or more in prison, life imprisonment, or death (including reprieved sentences), an increase of 37.62 percent from last year. Those sentenced to less than five years in prison, detained, or placed under surveillance or probation numbered 1,934; 91 persons were exempt from criminal charges; and 16 were found innocent. In total, 525 criminals were found to be guilty of illegally earning more than 10,000 yuan, an increase of 56.72 percent from the previous year; 54 were found to be guilty of illegally earning more than 100,000 yuan, an increase of 80 percent from the previous year.

In the battle against economic crimes, all levels of courts strengthened leadership, promptly found solutions to obstacles and problems encountered in the working process, encouraged and supported investigators to persevere in upholding the principles, overcame obstruc-

tion, and strictly abided by the law. In cases involving huge sums or grave crimes, criminals were punished with a heavy hand according to law with sentences that corresponded to the crimes. In the trial of Mei Zhifang and Li Zhuoming, involving tens of billions of U.S. dollars in fraud, related court leaders took command in directing the transfer of personnel, organized specialized collegiate benches of judges to promptly close the case in due process according to the law, and prevented severe economic losses. The action received praise from the central authorities and leaders of the provincial party committee, and was cited by the Supreme Court. The province's courts also participated in the crackdown on forgery during cotton purchases as well as launched special struggles against forging, resale, and theft of value-added tax receipts and the trade of counterfeit currency. Law and order was propagated widely through public trials and pronounced judgments.

III. Strengthen Economic Trials and Implementation, Adjust Economic Relations, and Accelerate the Development of the Market Economy

As the circumstances develop, the jurisdiction of the people's courts in adjusting economic relationships through judgment is widening, and their responsibilities are growing. Last year, courts in the province received and handled a total of 56,774 economic disputes at first trial, an increase of 25.46 percent from the previous year; 53,309 cases were closed, an increase of 24.78 percent from the previous year; the amount involved in the litigations totaled more than 3.2 billion yuan, an increase of 45.45 percent from the previous year. In trying economic crimes, the primary focus was the strengthening of trials involving purchasing and marketing contract disputes. Of these types of cases, 14,392 were brought to court during the year, an increase of 18.79 percent from the previous year. In trying these cases, the rights of the parties concerned were equally protected according to law, the effect of the contracts was maintained, contract responsibility was strictly upheld, lawful competition was protected, illegal practices were punished, and the circulation of commodities was maintained. The secondary focus was the trial of cases involving financial, contracted processing, technological contract, receipts and trademarks, patent, and intellectual property right [IPR] disputes. Of these types of cases, 24,949 were brought to court, an increase of 48.67 percent from the previous year. Through the trial of these types of cases, we guaranteed the implementation of the national strategies for economic reform; accelerated the commercialization of IPR and turned them into actual productive forces in a timely manner; and promoted technological development and advancement. A third focus was the strengthening of trials involving

agriculture and rural economic issues. A total of 1,940 cases were tried, which involved all types of rural contract disputes and disputes associated with the system to develop socialized service for rural areas, including machinery rental, product finishing, etc. In these cases, the lawful rights of the agricultural worker were protected, and the economic development of rural areas was promoted. A fourth focus was to strengthen the trial of economic dispute cases involving contracted work, leasing, and bankruptcy. Of these types of cases, 550 went to trial and were concluded, an increase of 63.69 percent from the previous year. The right to self-management of enterprises was protected, and the adjustment of production structures and reasonable distribution of resources was promoted. The fifth focus was to effectively and duly try disputes involving Hong Kong, Macao, Taiwan, and foreigners; to justly protect the legal rights of persons involved; and to create a beneficial legal environment for the reform and opening up of the province.

Last year, the provincial courts continued to treat their work as an integral part of maintaining the dignity of the law and the strict execution of the law; took another step toward constructing and perfecting law-enforcement institutions; strengthened law-enforcement forces; improved the effectiveness and quality of the police; and implemented the development of law enforcement. Throughout the year, courts throughout the province took on all types of law-enforcement cases, totaling 55,203; of these, 48,790 were concluded, a rate of 88.38 percent, with the money involved totaling 516 million yuan. In law enforcement, all courts were cautious to maintain the relationship between law enforcement and economic development, as well as the relationship between enforcement and social stability. The social effects of legal enforcement and civilized enforcement were closely integrated. Concrete analysis was made of concrete cases, and was approached according to specific circumstances. Ideological education was carried out on law-enforcement personnel to encourage a sense of law enforcement of their own; those who could not be effectively educated, or those who had the ability to perform the legal obligations but did not, were strictly forced to perform their obligations according to law; those who resisted law enforcement and obstructed official business, which constitutes a crime, were punished according to their criminal responsibility under the law. In order to improve the law-enforcement environment of adjoining areas, the province's courts continued to strengthen the cooperation efforts with other provinces and regions in judicial work to promote the handling of cases.

IV. Dedication to Trials of Civil and Administrative Cases, Protect the Lawful Rights of Involved Parties

Last year, through judicial measures such as civil court cases and administrative trials, all levels of courts preserved the lawful rights and interests of citizens and legal persons, and tried a large number of cases according to law involving individual and property rights. Hebei's courts tried a total of 138,385 civil cases of the first instance, an increase of 13.76 percent from the previous year; 131,432 cases were closed, an increase of 13.14 percent from last year. The primary cause was the increase of divorce cases, of which 51,190 cases were closed, an increase of 7.51 percent from the previous year. Because joint property in divorce cases has increased, disputes involving property ownership and real estate ownership were frequent. Verifying and dividing the property was difficult. All levels of courts sought fair solutions along policies of sexual equality, seeking truth from facts, and being reasonable and legal. At the same time, a large number of custody, fostering, and child support cases were also handled, guaranteeing the lawful rights of women, children, and the elderly. A second cause for the increase was the increase of cases involving private debt and compensation for damages. Of debt cases, 50,686 were brought to court last year, an increase of 21.42 percent from the previous year. Of compensation cases, 9,810 were brought to court last year, an increase of 11.36 percent from the previous year. All levels of courts protected proper lender-debtor relations and legal rights by upholding policies that benefited production and livelihoods. A third cause was the rapid increase of real estate cases, which was accelerated by the development of the real estate market. All levels of courts insisted on equality, trust, and fair compensation to promote and regulate the healthy development of the real estate market. A fourth cause was cases concerning public benefit—or land, forests, mountains, water conservancy facilities, and housing land—that affected social stability. These cases were resolutely tried according to law, conflicts were solved, and attention was given to economic efficiency and social effect.

In the trial of administrative cases, people's courts at all levels throughout the province conscientiously enforced the "administrative procedural law" and other administrative laws and rules, and persisted in the principle of equality in litigation for all parties involved to try administrative cases impartially according to law. The lawful rights and interests of citizens, legal entities, and other organizations were protected; the power of the administrative bodies was supported and supervised. Last year, the courts handled a total of 1,327 administrative cases of the first instance, of which 1,240 were closed.

Random fund raising, apportioning, and collection of fees and violations of the decision-making power of enterprises were stopped and redressed according to law by handling administrative cases that arose out of the process of management changes in enterprises; the execution of national laws and regulations was ensured and the establishment of the market economy was promoted by handling the administrative cases concerning land, public safety, industry and commerce, urban construction, environmental protection, and taxes; and the accurate implementation of this national policy was assured by handling the administrative cases on family planning.

V. Further Strengthen Supervision of Accusation, Appeals, and Judgment Processes To Legally Assure the Litigation Rights of the Parties Involved

Last year, 13,791 letters of appeal were handled and 11,023 visitors to appeal were received. All levels of courts prioritized the maintenance of stability, unified ideology, unified understanding, and strengthened leadership. The courts set out repeated notices to guide ideologies and ordered the division of work and specific measures. All levels of courts made an effort toward the goal of maintaining the social stability of the province. Second, the courts focused on strengthening the management of establishing cases to promote "the separation of establishment and judgment". The provincial court established the "temporary regulations for examining the establishment of cases," which targeted the unique qualities of mountain regions, flatlands, and urban areas. Measures were tailored to local conditions, experiences were combined, and promotions were pushed to progressively standardize and systemize the establishment of legal cases. Third, the courts focused on the appropriate handling of appealed cases. Cases of mistrial were legally rectified according to the trial supervision process; in cases where reasons for appeal were unfounded, work to quiet the appeal was done patiently; in cases that were deliberately provocative or affected social stability, legal coercive measures were duly taken. Of the 2,812 cases closed last year, 1,174 decisions were maintained, 572 were modified, and 1,066 charges were dropped or otherwise handled. Fourth, the courts were dedicated to the work of old cases of appeal. The provincial court regularly sent delegates to the Supreme Court to understand the old appeal cases from the province and to meet with related courts and departments to research, pursue, and administer the scheme. Through the cooperation of both the higher and lower courts, a group of cases that have been detained for the long-term at the provincial capital and the national capital were solved, reducing the number of visitors to the capital and the provincial court for appeals. Fifth, the courts responsi-

bly handled the suggestions and opinions of the deputies of the people's congresses. Work results were promptly submitted to the people's congress standing committees for review, and meetings were held with concerned representatives for an exchange of ideas, supervision, and improvement of procedures.

VI. Actively Participate in the Comprehensive Administration of Public Security and Serve To Protect Social Stability

All levels of people's courts in the province put judicial activity under the systemized work of comprehensive public security administration. In accomplishing all types of judicial work, the following were achieved:

First, by grasping the spirit of the national and provincial conferences on comprehensively administrating rural public security, and according to the orders of the party Central Committee and the provincial party committee, the "leadership responsibility system in the participation in the comprehensive administration of public security" and the "suggestion for participation of the provincial courts in the work to rectify public security in rural areas" were established. Rules were established in leadership responsibilities, work strategies, and missions and goals; careful administration was grasped. Second, 1,879 sessions were called to propagate the administration of the law through the handling of cases. The consciousness of the masses were raised in order to learn, understand, abide by, and use the law. The legal awareness of the citizen was raised. Third, judicial work on juvenile criminal offenses was carried out conscientiously. Guidelines of "education, persuasion, and redemption" were upheld to teach the process of trials. In November of last year, at the commendation telephone conference of advanced groups and individuals involved in the trial of juvenile criminal cases, two of our juvenile courts were named as national advanced units and five members of our judicial personnel received commendations from the Supreme Court. Fourth, attention was paid to the work of monitoring and educating individuals with reprieved sentences or who were put under surveillance. In the province, 1,542 personnel were assigned to check up on the reprieved or those under surveillance. Fifth, we lessened the sentence or paroled prisoners who demonstrated repentance or performed meritorious service. Courts in the province lessened the sentences of and paroled 7,239 prisoners involved in 7,155 cases. Sixth, 4,192 judicial suggestions were raised to pinpoint existing problems in the management of related work units. The suggestions helped these work units perfect the system, stop loopholes, and improve work. Lastly, we helped judicial and administrative departments strengthen guidance for the vocational work of mediation organizations and raise their

ability to settle disputes and dissolve conflicts. In total, guidance was given to mediation committees in solving 2,416 cases of simple disputes, an increase of 27.56 percent from the previous year.

VII. Strengthen the Establishment of the Ranks, Raise the Quality of the Police Force

Last year, all levels of courts were fully aware of the necessity and urgency of establishing ranks, taking effective measures, strengthening the ranks, and raising the quality of those ranks.

1. Increase political and ideological work, and raise the political quality of the police. In one year, most of the police force carried forward the tradition of plain living and hard struggle. Despite the tight investigation budget, strained transportation and communication conditions, and increasing judicial responsibilities, groups and individuals strictly carried out the law, fairly investigated, worked cautiously and conscientiously, and devoted themselves selflessly. A number of advanced groups and individuals emerged. Last year, 56 units and 3,157 individuals received commendations; among these, 483 individuals received first, second, and third class of merit citations. At the same time, 10 judicial workers received the honor of being named the "top ten judges." A campaign was undertaken to emulate Comrade Pan Huozhong, the exemplary worker in all the courts in the country; justice was propagated; leaders were commended; the effectiveness of the police force was motivated; and the development of all types of work was pushed forward.

2. Strengthen the construction of a clean government. All levels of courts, according to the order of party committees and higher courts, began the battle against corruption. Leadership groups were self-disciplined and honest; cadres at the deputy section chief level and above exercised self-checks and self-correction, strengthening checks on cases which violated regulations or laws. Last year, the provincial courts found and punished a total of 32 police individuals with violations of laws and regulations. The discipline inspection and supervision departments of the Supreme Court and provincial higher court inspected and guided the discipline inspection and supervision work of the courts in our province.

3. Accomplish on-the-job training, and raise the work quality of police forces. All levels of courts effectively encouraged and supported the police in learning about all aspects of laws and regulations—especially the learning of newly unveiled laws, regulations, and economic theories—in order to meet the needs of judicial work.

4. Realistically reinforce the establishment of leadership groups. Last year, provincial courts made establishing leadership groups a strategic priority and further clarified the responsibilities and limits of the court president; stressed the strengthening of learning and self-improvement in political and work quality; persisted in the policy of democratic centralism; organized internal relations; improved internal unity; transformed work style; worked with sincerity; and gave full play to the abilities of the leadership groups.

VIII. Improve Self-Reform, Strengthen Scientific Management, Ensure Strict Execution of the Law

Last year, all levels of courts made self-reform the breakthrough in judicial work, improved quality and efficiency through reform, encouraged development through reform, and continuously increased the efforts in reform. The first was to reform the judgment style. On the basis of perfecting experimental units, establishing examples, and summarizing experience, exploration and implementation was carried out on different styles of court and open trials, on the capabilities of the collegiate bench, and on the separation of judgment and law enforcement. Courts were opened in cases required by law to be tried in an open court, and the parties involved were given full opportunity to voice opinions and question and defend, thus standardizing open-court trials. According to the principle that "whoever accuses must provide evidence," we strengthened the responsibility to provide proof among those involved in civil cases; clarified the responsibilities of judges and collegiate benches; gave full play to the abilities of the collegiate bench; and assured the legal, systematic, and stable progress of trial reform. The second was to perfect supervisory institutions. While the people's congress and Chinese People's Political Consultative Conference [CPPCC] committee met, all levels of courts invited more than 1,500 people's deputies and CPPCC members to be supervisors of law enforcement, and placed the work of the courts under the scrutiny of all sectors of society. At the same time, we persisted in the open criticism of the higher courts by the lower courts and the checking up on the administration of the law. In the "bottom-to-top criticism," the lower courts raised objective opinions and suggestions for the work of the higher courts and effectively improved the work. The third was the strengthening of guidance for the lower courts and the initiation of the "six ones" activity. The president of the provincial court and each intermediate court was responsible for one grass-roots court; in turn, the president of each of the grass-roots courts took responsibility for one people's tribunal; and each business court also established one point of contact. Within the year, one problem must be solved,

one actual task accomplished, and one experience concluded. Numerous times, eight court leaders in the provincial court and persons in charge of relevant courts and offices would enter the points of contact in depth to hear reports, research, solve practical problems, and summarize their work experience on judicial work, establishing the forces and court reform for province-wide propagation. The fourth was to target existing problems in handling economic cases and jurisdiction disputes as well as in misimplementation. Conferences were promptly held, corrections made, and strict judicial discipline and casework processes set. Severe measures were taken with those who did not carry out orders, continued prohibited acts, or caused severe after-effects. The fifth was to establish and perfect systems and regulations. "Suggestions for the strengthening of judicial supervision"; "suggestions for reforming the style of trials of economic cases"; "procedures for investigating and affixing the responsibility of misjudged cases"; and more than ten regulations regarding judicial work, leadership responsibility, investigation procedure, and rules of procedure were unveiled one after another. The sixth was to set strict personal responsibilities and strengthen scientific management. All levels of courts pinpointed the increasing number of cases and expanding mission, and reached deeply into the department to divide up the missions and responsibilities among the levels to each unit and individual. Measures for awards and punishment were strengthened in order to promote the progress in all areas of work.

Deputies, 1995 is the last year for implementing the Eighth Five-Year Plan, and a crucial year for deepening reform and establishing a socialist market economy. The main mission for the courts in this province is to persist in Comrade Deng Xiaoping's theory of socialism with Chinese characteristics and the basic line set forth by the party; to live up to the spirit behind the 14th National Party Congress and the third and fourth sessions of the 14th party Central committee, the national and provincial economic, political, and legal work conferences, as well as the national conference of presidents of higher courts; continue to embrace the general task of the party and national work; strengthen judicial work; reinforce the battle of strict punishment; adjust economic relations; persist in strict administration of the law; seize the construction of the ranks; reinforce grass-roots and foundational work; make efforts to raise judicial standard; and make effective legal guarantees for reform, development, stability, and the establishment of an economically strong province. Hence, we must concentrate on accomplishing the following:

1. Continue to persist in the guidelines to be prompt, heavy-handed, and severe according to law in order to fight major criminal offenses and major economic crimes. We should further increase the strength of the crackdown and severely punish criminals who endanger the national security and public order. We should steadfastly crack down on gangs, hoodlums, and underground criminal rings and criminal activities such as abducting and selling women and children, prostitution, production or sale of pornography, etc. We must steadfastly continue in the battle against crimes of corruption and bribery, and continue in the trial of major and important cases. We must crack down heavily on criminal activities that endanger reform and opening up or destroy the economic order, maintain national and social stability with full force, and maintain economic order.

2. Realize judicial abilities and accomplish trial work in civil, economic, and administrative cases to better utilize judicial means in adjusting economic and social relations. Through the trial of various economic disputes, we should guarantee the smooth progress of economic reform; through the trial of economic disputes involving foreign nations, Hong Kong, Macao, and Taiwan, we should establish the legal reputation for opening up to the outside world in order to create a beneficial legal environment for the economic development and opening up of the province; through the trial of civil and administrative cases involving individual and property rights, we should solve disputes and dissolve conflict, strengthen the internal unity of the people, and promote social stability and the construction of the socialist spiritual civilization. We should strengthen law enforcement and maintain the authority of the law.

3. Enthusiastically join in the measures for comprehensive improvement of public security. All the province's courts must enthusiastically seize upon the implementation of the unified measures for public security, target the unified measures for public security in rural areas as a priority, and do it well. Major typical cases should be selected, and trials and sentencing should be publicized in the place where the crime occurred. We should enthusiastically accomplish the education, persuasion, and rectification of youth offenders, and work with the judicial and security departments to reeducate criminals who have received reprieved sentences or parole. When doing judicial work, we should promptly make judicial suggestions to promptly and effectively treat both the symptoms and the root of the problem.

4. Persist in strict administration of the law and raise the standard of judicial work. We must persist under the party leadership to independently utilize judicial rights. We must make efforts to raise the quality and efficiency

of trials and prioritize their social effects. We must resolve the masses' "difficulty in lodging complaints" and accomplish reforms in the court style; we must implement the procedure for investigating and affixing the responsibility of misjudged cases and perfect the supervision system.

5. Further strengthen the establishment of ranks. Leadership groups of all levels of courts must be established; the leadership cadres should be honest and self-regulated, and should be the first to set examples and lead the ranks effectively. We must initiate the ideological and political work in depth, arm the minds of the police forces with the theory of socialism with Chinese characteristics, and have a firm political orientation. We must commend the advanced and punish those who violate laws and regulations. On a foundation of the results in educating and rectifying the judicial rank, we must further set strict discipline and fight corruption; must raise the quality of the police; and must work hard to cultivate a team of judges who are politically steadfast and professionally able, who have a good work style, who are honest in performing official duties, and who are strict in their administration of the law.

6. Strengthen grass-roots organizations, foundational work, and basic construction. With strengthening the courts' grass-roots party organizations as a priority, we should motivate the construction of the entire courts; with the construction of the organization and system as content, we should motivate and promote all foundational work; and with raising the moral and legal ideology of the citizen as the fundamental work, we should make efforts to prevent and reduce the amount of criminal offenses. By prioritizing the strengthening the grass-roots people's courts, especially the construction of people's tribunals, in the effort to improve judicial procedure and self-strengthening, we should establish policies, promote scientific management, and effectively guarantee the progress of all types of work. We should strengthen the vocational training of police and utilize training classes and mobile classes to raise the political, professional standards, and work ability of the police. We should strengthen professional guidance for grass-roots people's mediation organizations so they can play the role as the first line of defense. We should increase the construction of people's courts and trial courts and improve facilities for transportation, communications, and office facilities in order to create beneficial conditions for the administration of the law.

Hebei Expands Construction of Ports

OW1206150995 Beijing XINHUA in English
1233 GMT 12 Jun 95

[FBIS Transcribed Text] Shijiazhuang, June 11 (XINHUA) — Hebei Province in north China has accelerated the construction of ports of entry to help with its drive to develop an export-oriented economy.

Hebei, to the east of the Bohai bay, has a coastline of 487 kilometers. Qinhuangdao Harbor, built in 1898, was the first port of entry in the province. Since China adopted the reform and opening policy in 1978, the provincial government has allocated huge investments in its expansion.

After the completion of three modern coal transport berths with a total handling capacity of 60 million tons annually, the harbor has become the world's biggest coal export handling center which ships 70 percent of China's total exports.

Meanwhile, Hebei is building new harbors. Jingtang Harbor, whose construction started in 1989, was open to international cargo transportation in 1993 with an annual handling capacity of 6.5 million tons.

The harbor will be expanded into a large international trading port with an annual handling capacity of 36 million tons.

In another development, Huanghua Harbor in the south of the province has started construction this year, and has got the approval to open to international transportation when completed.

The province is also busy building ports of entry for land and air transportation. Last year, Shijiazhuang, the provincial capital, built a port of entry with a special railway and a storing area of 170,000 square meters, and its annual handling capacity reached 520,000 tons.

At the beginning of this year, Shijiazhuang Airport started to serve domestic flights and is expected to open international flights soon. The provincial government also plans to start the expansion of Shanhaiguan Airport in the north of Hebei.

Inner Mongolia Selects Six Deputy Directors

SK1306064395 Hohhot NEIMENGGU RIBAO
in Chinese 23 May 95 p 1

[FBIS Translated Text] The regional party committee recently decided to openly select leading cadres of the deputy department director level to some units directly under the regional government in the whole region by adopting the method of "combining democratic recommendation with examination and appraisal."

The organization department of the regional party committee issued a circular calling for making this work a success. The circular states: Adopting such method to openly select leading cadres of the deputy department level is the first attempt in our region. The posts and quota for open selection are two deputy directors of the regional land management bureau; two deputy directors of the regional environmental protection bureau; and two deputy directors of the regional tourism bureau.

The circular demands: From 1 to 15 June, the application will be carried out through three forms, namely: recommendation from the organizations, from the masses, and from the applicants themselves. The application requirements include people who have served as chiefs in posts at and above the county level for three years or people who have served as deputy chiefs in posts at and above the county section level for five years in party, government, or mass organizations, enterprises or institutions, colleges and universities; people from large and medium-sized enterprises whose posts are equivalent to the posts of cadres serving as chiefs or deputy chiefs at and above the county section level and whose length of service reach the above mentioned requirements; in-service cadres at the deputy department level, who are 55-years old (including those less than 55-years old) and healthy, and have college education or above.

During the application, the organizational departments of various league and city party committees and the personnel sections of various department or bureau-level units should first examine the qualifications of the applicants and then send the applications to the organizational department of the regional party committee for reexamination. Only qualified ones will be given examination permits and they will have to take three tests, including common knowledge, thesis, and professional knowledge. Those who sit for the tests must also give a speech or answer some questions. Based on this, the organizational department of the regional party committee will also assign relevant personnel to comprehensively investigate those who are subject to investigation. Then the test and investigation results will be reported to the regional party committee for study and decision and be submitted to the regional government for final appointment.

Technology Fuels Farming Growth in Shanxi

OW1306065495 Beijing XINHUA in English
0628 GMT 13 Jun 95

[FBIS Transcribed Text] Taiyuan, June 13 (XINHUA) — Application of modern agricultural technology has sped up the growth of the farming sector in China's inland province of Shanxi over the past 10 years.

For a decade, some 345 research achievements have been applied to agricultural production, contributing to a cumulative increase of 21.59 billion kilograms of grain output, according to the provincial government.

The province has pushed the application of more than 100 new high-quality varieties of wheat, corn, cotton, sorghum and other crops, and some 3.2 million hectares of farmland, 80 percent of the province's total, are used for growing high-quality crops.

For the past 10 years, the average yield per hectare of arid-land wheat has grown from 1,500 kilograms to over 3,750 kilograms, while the average yield per hectare of cotton has risen by 450 kilograms.

The use of agricultural research has helped increase the total income of farmers in the province by 29 billion yuan in the past 10 years, local officials said.

Northeast Region

World Bank Group Inspects Heilongjiang's Projects

SK1306063595 *Harbin Heilongjiang People's Radio Network in Mandarin* 2200 GMT 11 Jun 95

[FBIS Translated Text] On 11 June, accompanied by Sun Kuiwen, vice governor of the provincial government, Mr. Hope, director of the China-Mongolia Bureau of the World Bank, proceeded to Zhaodong and Anda cities to inspect the projects to be developed with the World Bank loans.

Zhaodong city is one of the commodity grain production bases in the country as well as a major corn production area in Heilongjiang Province. However, due to the stagnation in developing enterprises for intensive processing of grain, the province fails to fully tap its potential for grain resources. To fully develop its natural resources, Zhaodong city has defined, according to the World Bank's orientation for input of loans and in line with the city's dominant industries, four projects that the city will apply for the World Bank loans for development, including a [words indistinct] project with a capacity of annually producing 70,000 tonnes of forage, a corn processing project in [words indistinct], a milk cow and beef cow development project in (Xingan) Town, and a geese raising and processing project in (Sanwu) Town. The investment in these four projects totals 257 million yuan. Of this, the city is applying to the World Bank for 179 million yuan in loans. Upon completion of these projects, more than 690 million yuan in output value and 200 million yuan in profits and taxes will be realized annually, and each person in the city will gain 255 yuan in profits from these projects.

After hearing Zhaodong city's introduction of applying for the World Bank loans to develop these projects,

Mr. Hope said: These four projects that you have put forward are very good and I am very interested in them. Intensively processing farm products and raising the value of farm products is our bank's orientation for granting loans. I hope that these projects will help not only improve the people's living standards, but also mobilize the masses to concentrate their capital on production and to increase the value of their capital.

In Anda city, Mr. Hope heard the report on the city's application for the World Bank loans.

Anda city is the country's key milk cow production base. To build Anda city into the country's largest milk cow production base and largest fish product processing base, Anda city has invested 76.37 million yuan and directly applied for more than 38 million yuan in loans from the World Bank. So far, three projects, including a milk cow production base and a beef cow production base, are [words indistinct]. Upon the completion of these three projects, more than 200 million yuan in output value, more than 70 million yuan in profits, and more than 30 million yuan in taxes will be realized annually. This will greatly produce demonstration, influential power, and impetus to Anda city's economic development.

Mr. Hope expressed his strong interests in Anda city's three projects and simultaneously praised the city's development strategy.

He said: The projects put forward by Anda are projects not only for Anda but also for Heilongjiang. The World Bank is willing to offer capital to support these projects. In granting loans, the World Bank mainly judges that whether or not the projects can produce good efficiency. Therefore, reasonable use of capital and good reciprocation rate are very important. I hope that the specialists of the World Bank will reach satisfactory conclusions from assessing these projects in the next two days.

Mr. Hope and his entourage will leave Harbin on 12 June.

Heilongjiang Orders Execution of 3 Bank Robbers

SK0906123995 *Harbin Heilongjiang People's Radio Network in Mandarin* 1000 GMT 8 Jun 95

[FBIS Translated Text] On 8 June, the provincial higher people's court held an open trial to pass sentence on some criminals guilty of robbing banks and killing policemen. Of the four criminals involved in two cases, three were sentenced to death and executed by firing squad, and one was sentenced to death with a two-year reprieve.

Ma Jinghu, worker at the Mudanjiang [words indistinct] processing plant, committed offenses on five occasions between June 1992 and April 1995. While committing crimes, he killed or injured six persons, including three policemen, and stole a pistol and other property.

On the night of 29 April this year, together with Wu Hailun and Chen Shifu, Guo Honggang, a temporary worker at the Hualin Credit Cooperative of the Mudanjiang People's Bank, shot dead the cadres and policemen on duty at the credit cooperative with submachine guns, then prized open the warehouse where they stole some 500 bullets and other property. They then sprayed gasoline on the dead bodies and escaped after kindling the flames. The fire they caused 50,000 yuan in economic losses.

Ma Jinghu, Guo Honggang, and Wu Hailun were respectively sentenced to death with their political rights deprived for life, and were executed immediately. Chen Shifu was sentenced to death with a two-year reprieve and with his political rights deprived for life.

Heilongjiang Meeting on County-Run Industry Ends

SK1006062095 *Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 8 Jun 95*

[FBIS Translated Text] The two-day provincial on-the-spot meeting on developing county-run industrial enterprises ended in Shangzhi city on 8 June.

Governor Tian Fengshan pointed out in his speech that according to the thinking of the socialist market economy, we should further accelerate the development of the county-run industry.

Tian Fengshan said: Over the past years, our province has made gratifying progress in developing the county-level economy, particularly county-run industrial enterprises. A group of pillar industries and key enterprises that are larger in size and have stronger competitiveness and better economic results appear in succession. A comparatively independent, perfect county-run industrial system has taken shape in the province. However, when compared with the county-run industrial enterprises of some economically developed provinces, those in our province, due to our late start and poor foundation, still have some problems, such as insufficient input, slow operation, and products' low standing. Some enterprises fail to eliminate, in a timely manner, the strain restricted by mechanisms. Some are facing the danger of being eliminated through competition.

Tian Fengshan pointed out: The county-run industrial enterprises directly bear on, to a great extent, the overall economic development situation. So, we must never

neglect these enterprises' roles and functions. Particularly, under the current situation where our province's state-owned large and medium-sized enterprises' economic growth rate is slow, continuously accelerating the development of the county-run industry is of extremely important significance.

He said: We should lead the county-run industry to the orbit of the market economy and pioneer a development path with special characteristics. The fundamental way for helping county-run state-owned enterprises tide over difficulties hinges on reform. The enterprises which are larger in size and have high economic results and sufficient reserve strength for development should continue to carry out the shareholding system and set up the modern enterprise system. The enterprises with difficulties in comprehensive transformation and overall revitalization should divide themselves into small accounting units, set up legal persons of various nationalities, and carry out separate management. Those whose assets cannot offset their debts and that are hopeless to halt deficits should be auctioned or declare bankruptcy in a positive and steady way. It is necessary to continuously popularize such effective property right reform systems, such as management on a leasing basis, implementation of various systems within a plant, amalgamation, and cooperation.

Tian Fengshan said that less construction and more transformation are the basic principles for developing the county-run industry.

He also expressed opinions on conducting technological transformation among enterprises, upgrading enterprises' management levels, and strengthening the building of enterprise leading bodies and entrepreneur contingents.

During the meeting, responsible leaders from various prefectures and cities of the province heard the experiences in developing the county-run industry introduced by eight cities and counties, including Shangzhi and Jidong; and visited several production enterprises in Shangzhi, including (Yilianguo) Brewery.

Ma Guoliang, deputy secretary of the provincial party committee and vice governor of the provincial government, made a summing-up speech at the meeting.

He urged all prefectures, cities, and counties to conscientiously understand and relay the guidelines of this meeting and Secretary Yue Qifeng's important written instructions on this meeting, to proceed from actual conditions to grasp various specific tasks for developing the county-run industry, to be inspired with enthusiasm, to overcome difficulties, and to further enliven the county-run industry.

Policy Directors Hold Forum in Heilongjiang

SK1306022395 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 11 Jun 95

[FBIS Translated Text] The sixth forum of directors of the policy research centers of the party committees of some provinces, municipalities, and autonomous regions in east China and along rivers and border areas was held in Harbin on 11 June.

Xiao Wanjun, deputy director of the central policy research center, attended the forum. Leaders of Heilongjiang Province, including Yue Qifeng, Wang Jangong, Wang Xianmin, and Wang Zongzhang, attended the forum to extend greetings.

At the forum, party committees will exchange their policy research work situations, localities will exchange their experiences in reform and development, and participants will jointly discuss the strategies for cooperation among the eastern, central, and western parts of the country.

Yue Qifeng, secretary of the Heilongjiang Provincial party committee, made an ebullient speech at the forum.

On behalf of the provincial party committee and government, he expressed warm welcome to the representatives from 18 provinces, municipalities, and autonomous regions in the whole country.

He said: Policy research centers are offering information, policies, experiences, and ideas. All these are wealth. I hope that the comrades participating in the forum will keep the good information, experiences, policies, and ideas of their brotherly provinces and municipalities so as to promote Heilongjiang's development.

Yue Qifeng said: Heilongjiang is a good place and has 10 key development advantages—large oil fields, large collieries, large wooded areas, big granaries, large machinery industry, large war industry, large pastoral areas, large areas, long boundaries, and a large galaxy of skilled persons. With the largest potential for development, Heilongjiang is a gold mountain which has not been wholly developed yet. So, I hope that fraternal provinces and municipalities will cooperate with us in jointly developing Heilongjiang.

Yue Qifeng said: Through construction over the decades, Heilongjiang has made gigantic contributions to the country. While creating rich material wealth, it has also created rich spiritual wealth. However, due to our earlier entry to and late withdrawal from the planned economic front, our systems were not smooth for a long period of time. Affected by our failure to subjectively emancipate our minds, outdated ideas, and unitary ways of thinking, the national economy

in our province was operating at a low speed after the introduction of reform and open policies. Thus, a series of contradictions and problems surfaced. So, the backward economic development situation is the major contradiction of Heilongjiang Province. Facing this situation, last year, the provincial party committee defined new development ideas; also attended to such three basic points as emancipating the mind, improving the environment, and well using cadres; and went all out to implement these three points. Now, we have made a good start in economic development.

Xiao Wanjun, deputy director of the central policy research center, expressed his opinions on how to conduct investigations and study.

He said: The time at present and in the foreseeable future is a key period for our country's development. The policy research departments of party committees should deeply investigate and study the issues that the party and the government as well as the masses have paid attention to, really go deep to the grass roots, clearly understand the situations, clearly define ideas, provide countermeasures for party committees, and strive to promote the development of the economy and society.

Wang Xianmin, standing committee member and secretary general of the provincial party committee, introduced our province's basic situation to the participants.

Wang Zongzhang, vice governor of the provincial government, introduced our province's border trade situation.

(Hu Xiangding), deputy secretary general of the provincial party committee and director of the policy research center of the provincial party committee, chaired the forum.

Heilongjiang Holds Meeting on Economic Development

SK1106054495 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 10 Jun 95

[FBIS Translated Excerpt] The provincial party committee and the provincial government held a meeting to summarize and report on the results of the provincial discussion campaign on improving the economic development environment on 9 June. The meeting summarized the discussion situations of the previous stage and made arrangements for regularly carrying out the work of improving the economic development environment in the future. Yue Qifeng, secretary of the provincial party committee, addressed the meeting. Wang Jangong, deputy secretary of the provincial party committee, delivered a report at the meeting, entitled: "Develop

the Fruitful Results, Consolidate Achievements, Deeply and Lastingly Improve the Economic Development Environment."

Since last year, the provincial party committee and the provincial government have conducted in-depth investigation and study on the province's economic development issue and maintained that Heilongjiang's main contradiction is its stagnant economic development. Concentrating energy on pushing economic construction forward is the basis for solving all social problems. In this connection, the provincial party committee decided to conduct a province-wide discussion campaign on improving the economic development environment and to regard it as the major move for implementing the overall ideology for economic development. During the three-month discussion campaign, all localities persisted in regarding emancipation of thinking and renewing concept as the leading and main line of discussion and resolving difficult and hot issues as the priorities of discussion; persist in firmly grasping the general tasks of the whole party and the whole country and promoting the implementation of the provincial party committee's overall ideology for economic development; and persist in relying on correct media guidance to lead and promote the sound enforcement of the discussion campaign and enabling the campaign to be carried out in a sound and orderly manner. Because this discussion hit directly at the province's current malpractices of creating serious obstacles and setting up numerous checkpoints, it was widely acknowledged by cadres and the masses across the province and was highly valued by all localities and departments, thus forming a good ideological basis. [passage omitted]

According to statistics, during the January-May period of this year, the total output value of industrial enterprises at and above the township level across the province reached 75.51 billion yuan, up 11.8 percent over the same period last year. Practice shows that this discussion campaign is not only correct and timely but is also successful and effective.

In his speech, Yue Qifeng pointed out: Improving the economic development environment is one of the important moves for implementing the provincial party committee's overall ideology for economic development. One of the conspicuous characteristics of this discussion is that we have combined theory with practice, exposed contradictions and shortcomings, tackled the difficult points, presented the facts and reasoned things out, drawn inferences about other cases from one instance, adroitly guided action according to circumstances, avoided the empty talks and not deep going discussion, and realistically solved some practical problems. However, the problems of our province's eco-

nomic development environment have not been fundamentally solved. Actually, if we fail to do solid work, even the problems which have been solved will reappear. Along with a lapse of time and the changing situations, new problems will occur. Therefore, the work of improving the economic development environment will be a protracted one, and in particular, the task of emancipating thinking and renewing concepts will also be very arduous.

Yue Qifeng pointed out: All departments have set their own specific criteria for their work. However, doing things helpful to developing the productive forces of socialist society, augmenting the overall strength of the country, and improving the living standards of the people are the three highest criteria. All fields of work have specific policies, but the three criteria are the most important policies. There are specific guiding principles for all aspects of social life, but the three criteria are the most fundamental ones. All localities should further emancipate thinking and persist in proceeding from the fundamental principle of the three criteria and from accelerating Heilongjiang's economic development while doing everything.

Yue Qifeng stressed: Deepening reforms, improving systems, and making up our minds to adjust the relationship between power and interests detrimental to the development of the productive forces are the permanent measures for improving the economic development environment. All localities should rationalize organs and mechanisms, delegate power to the lower level, and change functions in the course of organizational reform, and should create conditions for improving the economic development environment. It is necessary to do a good job in conducting investigation, study, and experiments on eliminating barriers between regions and departments and on promoting the coordinated development of the regional economy; create conditions for state-owned enterprises, especially enterprises with great financial difficulties, to form systems and policies for resolving their own difficulties; and create a good environment for building a strong agricultural province and creating a new Heilongjiang.

Yue Qifeng pointed out at the end of his speech: We should make good use of cadres and trained personnel, support and protect reformers, entrepreneurs, and all kinds of competent people who have accomplished something and contributed to the province, adjust cadres who hinder reforms and the development of productive forces, and realistically hold ourselves responsible to the 36 million people in Heilongjiang.

Provincial leaders, including Ma Guoliang, Shan Rongfan, Yang Guanghong, Wang Xianmin, Li Qinglin, Suo

Changyou, Zhou Tienong, Ma Shujie, and Dai Moan, attended the meeting.

Yingkou Port Expansion 'Well Underway'

OW1306013595 *Beijing XINHUA in English*
0112 GMT 13 Jun 95

[FBIS Transcribed Text] Shenyang, June 13 (XINHUA) — Yingkou Port on the Bohai Gulf is being expanded in a bid to make it one of the largest in northeast China.

Though once a world-renowned seaport, the over-130-year-old Yingkou Port in Liaoning Province declined over a long period of time owing to waterway silting and other reasons. In 1984 the handling capacity was a mere 400,000 tons.

Owing to its importance for trade ties with the Korean peninsula, Mongolia and Russia, the Chinese government decided to carry out large-scale expansion of the port in the early 1980s.

After ten years of effort, nine berths for 10,000-dwt ships and one berth for 3,000-dwt liquified gas carrier were built in the first phase of construction of the Bayuquan new port area.

With investment topping 800 million yuan (about 94.11 million U.S. dollars), the construction raised the handling capacity to over 7.5 million tons in 1994, making the port the second-largest in northeast China.

The second phase of the construction, which is now well under way, includes the building of five 10,000-dwt berths, a bulk grain wharf, a motor vehicle wharf, a wharf for refined oil and a cement wharf.

A key project enjoying state priority, the second phase, involving over 800 million yuan in investment, will bring the port's annual handling capacity to as much 20 million tons by 1997.

The third phase, which will be launched after 1997 and mainly concentrate on the expansion of the handling capacity of liquified gas products and containers, is designed to bring the handling capacity to 30 million tons when it is completed in 2005. The total investment is estimated at three billion yuan.

Northwest Region

Lanzhou-Urumqi Railway Line Opens on Trial Basis

OW1306090995 *Beijing XINHUA in English*
0838 GMT 13 Jun 95

[FBIS Transcribed Text] Urumqi, June 13 (XINHUA) — The double-track Lanzhou-Urumqi Railway Line in northwest China was open to traffic on a trial basis Monday [12 June].

The line, with a length of 1,622 km and listed as one of the key construction projects during the Eighth Five-Year-Plan Period (1991-95), started double-tracking on September 16, 1992 and the project was completed on September 16 last year.

It cost more than four billion yuan and has a designed annual transport capacity of 25 million tons. After further improvement, the transport capacity may be enlarged to 50 million tons.

The project will greatly alleviate transport tension in northwest China.

Religious Personages in Xining Condemn Dalai Lama

HK0606062295 *Xining Qinghai People's Radio Network in Mandarin* 2300 GMT 23 May 95

[FBIS Translated Text] Yesterday (23 May), religious personages in the Xining area held a discussion on the Dalai Lama's unauthorized pronouncement on the reincarnated child of the Panchen Lama. All attendees unanimously held: The Dalai Lama confirmed a certain child in India as the reincarnated child the Panchen Lama. This is an act of the Dalai Clique in using religious rituals of the reincarnated child of the Panchen Lama to continue their political attempt to split the country after the failure of a series of its political activities.

The discussion was presided over by Comrade Cheng Buyun, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and director of the United Front Work Department under the provincial CPC Committee. Religious personages including Han Shenggui, (Meng Zhaohan), (Sai Zhuo), (Fadi Anjia), (Zhong Zhi), (Xin Nai), and others spoke at the meeting. In their speeches, they strongly condemned act of the Dalai Lama of disregarding fixed historical convention and undermining religious rituals, and disrupting the normal search process through his unauthorized confirmation abroad of a certain child as the reincarnated child of the Panchen Lama. This is a political scheme of the Dalai Lama to use the reincarnation of the Panchen Lama to undermine the unification of the motherland, nationality solidarity, and social stability. It must be resolutely exposed.

On behalf of all monks, Living Buddha (Sai Zhuo) stressed at the discussion: The Dalai Lama proclaimed with authorization the reincarnated child of the Panchen Lama. This is a brazen violation of the religious rituals, harming the feelings of the broad masses of people who profess religion. His conduct is illegal and invalid.

Cheng Buyun, vice chairman of the provincial CPPCC and director of the United Front Work Department under the provincial CPC Committee, and Li Qing, chairman of the provincial Nationality Affairs Commission and director of the provincial Regional Affairs Bureau, also spoke at the discussion. They said: Our Qinghai is a multinational and multi-religious province. Tibetan Buddhism is very influential among the Tibetan, Mongolian, and Tu nationalities. In particular, the 14th Dalai and the 14th Panchen were from Qinghai. They had great influence over Qinghai and the religious masses in the province. However, the Dalai Lama disregarded history and the future of the nationality to engage in the activities of splitting the motherland. This cannot be tolerated by all people in Qinghai, including people of the Tibetan nationality. This cannot be tolerated by all religious masses, including those who believe in Tibetan Buddhism and religious personages. During his lifetime, the Great Master Panchen loved his country, religion, and native place. The masses in Qinghai, especially those who believe in Tibetan Buddhism, show great concern for the work of searching for the reincarnated child of the Panchen Lama and hope that the reincarnation will take place soon.

Xinjiang Chairman on Border Stability

*OW1006124695 Urumqi XINJIANG RIBAO
in Chinese 29 May 95 pp 1, 3*

["Border Stability Is the Guarantee for Xinjiang's Prosperity — A Record of Interview with Xinjiang Regional Chairman Abdulahat Abdurxit: by Zhang Baishun"]

[FBIS Translated Text] "Xinjiang is the region of China that has the largest area, largest number of neighboring countries, longest boundary, and most land ports open to the outside world. Maintaining a stable, peaceful, and open border environment in Xinjiang is not only the wish of the region's nationalities, but it also concerns the fundamental interests of China and the Chinese people." This is the statement made by Abdulahat Abdurxit, chairman of the Xinjiang regional government, during a recent interview with this writer.

Chairman Abdulahat first elaborated his views on border stability. He said: It has been proven in history that it is impossible to bring about sustained border stability with an inactive and closed border. Opening up the border regions, developing border trade, continuing to raise the living and cultural standard of nationalities in the border regions is the fundamental task for bringing about border stability. There is no future for a nation, people, or region that is closed to the outside world.

Chairman Abdulahat repeatedly stressed the following facts:

1. Prior to reform and opening up, Xinjiang, with one-quarter of China's land boundary, had practically no border port that was open to the outside world throughout the year. There were designated "closed border regions" (or restricted regions), however, people continued to sneak into other countries each year despite repeated bans. After 1983, Xinjiang successively opened up 32 counties and cities and 15 border ports to the outside world. Although the number of restricted regions decreased and more regions were open to the outside world, fewer people sneaked into other countries each year.

2. It is undeniable that after liberalization the living and cultural standard of the Xinjiang people continued to rise. However, it is likewise evident to all that the sharp rise occurred from the mid 1980's. The per capita income of Xinjiang's urban residents in 1994 was a three-fold increase over the period prior to reform and opening up in 1978, while the per capital income in agricultural and pastoral regions increased by 320 percent. Currently, the total of two years' of Xinjiang's gross national product is more than the total of the past 30 years.

3. Thirty-two counties and cities and 15 border ports were opened in succession under a relatively stable border situation. The direct outcome of opening up is not only reflected in Xinjiang's marked improvement in foreign trade (based mainly on border trade) and thriving development in tourism and tertiary industry, but also in the historic change in Xinjiang people's thinking and concepts following the continual progress made in overall economic development. The region has broken through the concept of "self-subsistence" economics, which arose out of "oasis economics." Not only have the Xinjiang people established their own bases in economically and culturally developed Beijing, Tianjin, Shanghai, and special economic zones in coastal regions, but an increasing number of places called "Xinjiang village," "Xinjiang street," and "Xinjiang lane" have also emerged in neighboring countries. Xinjiang has experienced sustained, rapid, and healthy economic development while the people have personally felt the importance of border stability. According to unconfirmed statistics, Xinjiang governments at various levels have successively allotted over five million yuan to solve difficulties faced by border troops in the past three years. Many people residing in the border regions have taken the initiative to construct thousands of "rest stations," "refreshment stops," and "wind shelters" for officers and men stationed there. Xinjiang's army-government and army-people relationship is currently the best in history. The border regions are stable and economically

prosperous and the people live and work in peace and contentment.

"If there is stability in the border regions, the people will live and work in peace and contentment; and if the people live and work in peace and contentment, the society will prosper." Touching on the dialectical relations between the two, Chairman Abdulahat showed a strong sense of responsibility and mission. He said: When we have brought about stability in the border regions, we have ensured stability for all of Xinjiang and one-sixth of our motherland's territory. Further, as the western gate of the motherland, Xinjiang's stability and development will promote the entire nation's stability and development. During the Han and Tang dynasties, because of the support of Xinjiang's relatively developed agricultural and animal husbandry sectors for the "Silk Road," the Chinese people experienced a great leap in development that stunned the world. Later, Xinjiang's prosperity also left marks in our nation's several great development stages.

"When the nation prospers, Xinjiang will prosper. On the other hand, Xinjiang's prosperity will promote the country's prosperity." The history of Xinjiang and the motherland's development have more than once proven this truth.

Chairman Abdulahat also expressed his views freely on ways to maintain border stability:

1. Border stability is an issue of common concern of Xinjiang's various nationalities, and their participation and support is essential for maintaining border stability. We should regularly conduct national defense education centered on border defense to ensure that the increasingly well-off people will not neglect border stability.

2. The best and most efficient way of ensuring stability in border regions is to develop the regional productivity and to continually raise the people's living and cultural standard, particularly for people living along the border. Economic vitality is crucial to bringing into play the people's cohesive force in society. The people will work and live in peace and contentment and various nationalities will be solidly united only when there is economic development. Poverty is not socialism, nor can it bring about stability in the border regions. As long as our people continue to benefit from and relate the rise of their living and cultural standard to a stable border situation, there will definitely be sustained and prosperous development for Xinjiang's and the motherland's border regions.

3. Due to historical and geographical reasons, the economic and cultural development of border regions, including Xinjiang, is rather backward compared to the

inland. To change this situation and make Xinjiang correspond, apart from the efforts and hard work of the border region, we need the nation's support in human power and material supply over a longer period. We should attach importance to this issue from a high plane of the entire country, national rejuvenation, and development.

4. It is necessary to safeguard the motherland's reunification; strengthen national unity; and promote common progress, prosperity, and wealth among all nationalities. Everyone who works and lives in Xinjiang must establish this understanding: In a multi-national border region such as Xinjiang, social stability and national unity are beneficial to the people; and social upheaval or turbulence will only harm the people's interests. The "double model counties and cities" activities, held in the past years in Xinjiang on the basis of army-people unity and national unity, is a successful attempt in this aspect.

"The Xinjiang people, who have accompanied the prosperity of the Silk Road and created the brilliant culture of the western regions and the glorious material civilization, will definitely seize the good development opportunity resulting from border stability."

These are Chairman Abdulahat's heartfelt words and the common aspirations of the Xinjiang people, who are going through great changes and great progress.

New Outlet Links Xinjiang With Kazakhstan

OW1206151495 Beijing XINHUA in English
1430 GMT 12 Jun 95

[FBIS Transcribed Text] Urumqi, June 12 (XINHUA) — Baktu, a new land outlet linking the Xinjiang Uygur Autonomous Region with Kazakhstan, is ready to cater to the growing border trade and flow of travellers after four years of construction, it is learned here.

With a total investment of more than 22 million yuan (about 2.22 million U.S. dollars), the construction of the border crossing, including customs, quarantine, commodities and frontier inspection, and road facilities have been completed and passed a state-level examination.

An estimate shows that the crossing point, the fourth completed port linking Xinjiang with Kazakhstan, will reach an annual handling capacity of 300,000 tons of goods and 200,000 travellers by the end of this year.

The latest statistics reveal that border trade and passenger flow between this vast frontier region and Kazakhstan has been on a constant rise since the beginning of the year, with the passenger flow of the Horgos crossing point, the largest land outlet in the country, growing by over 100 percent, and the flow of commodities leaping by over 300 percentage points.

Meanwhile, three other crossing points on the China-Kazakhstan border are still under construction.

Tomur Dawamat Inspects Xinjiang's Hotan Prefecture

OW1306100195 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 6 Jun 95

[From the "Xinjiang News" program]

[FBIS Translated Text] [Video shows Tomur Dawamat and Zhang Heng visiting wheat farms and vineyards] Tomur Dawamat, vice chairman of the National People's Congress, and Zhang Heng, vice chairman of the Xinjiang regional people's government, inspected Hotan Prefecture from 28 May to 1 June. The scene of a bumper harvest can be seen everywhere in the prefecture's rural areas in May. Comrades Tomur Dawamat and Zhang Heng inspected agricultural farms, including wheat and cotton fields, and heard briefings by cadres and peasants on agricultural development.

Tomur Dawamat pointed out: Currently, the prefecture is enjoying political stability, national unity, and accelerated economic development. There will definitely be a bumper wheat harvest this season. Cotton is growing satisfactorily; a bumper harvest for silkworm farmers is in sight; the animal husbandry sector passed the winter safely; and peasants are enthusiastically engaging in production. In short, the situation of agricultural production in Hotan Prefecture is very good this year. He said: This proves that for a region under difficult conditions, such as Hotan Prefecture, to achieve such results, the party's policies have been well-received by the people and that cadre-peasant relations are good. We are determined to make even greater achievements. He expressed the hope that prefectural leaders will continue to sum up their experiences and make persistent efforts to ensure consistent grain production.

Tomur Dawamat pointed out: It is necessary to vigorously promote cotton and horticultural production on the basis of self-subsistence in grain production to increase peasants' income. We should efficiently regulate the grain-cotton production ratio and do a good job to promote animal husbandry production. Integrating agriculture and animal husbandry and helping peasants to quickly cast off their poverty is the prefecture's central task. It is also the duty of the communists. We should seize the opportunities offered by the central policy on helping the poor regions and various leaders' concern for Hotan Prefecture. We should work in a down-to-earth manner to make full and practical use of preferential policies for accelerating development and quickening the process of helping peasants to cast off poverty.

During the inspection, Tomur Dawamat repeatedly discussed the significance of maintaining stability and strengthening unity with the cadres and people. He said: A stable social environment is the foundation for all tasks. Nothing can be achieved without stability. To bring about stability, we must strengthen unity between nationalities; between cadres and people; between the Army and the people; and between the Army and the government. Tomur Dawamat stressed further: It was not easy for Hotan Prefecture to achieve this currently very good situation. This is the fruit of joint efforts of party organizations at various levels and people in the past years. We must actively safeguard and develop this very good situation. We must resolutely strike at a handful of scoundrels who sabotage the motherland's reunification and national unity.

During their inspection, Tomur Dawamat and Zhang Heng also inspected the vegetable market, inquired about vegetable prices, visited Hotan City's food production projects, and called on demobilized and retired cadres and people in religious circles.

Xinjiang Cadres Disciplined for Misusing Funds

OW1206114595 Urumqi XINJIANG RIBAO in Chinese 23 May 95 p 1

[Article by reporter Zhang Yu (1728 6735): "Seven County-, Office-Level Cadres Punished for Dining, Drinking With Public Funds"]

[FBIS Translated Text] Urumqi, 19 May — This reporter has learned from the Autonomous Regional Discipline Inspection Commission and the Supervision Office that seven leading cadres at the county and office levels have been disciplined by the party and the government for dining, drinking, and seeking pleasure with public funds.

The Ili Kazak Prefectural Forestry Office party group secretary and its two deputy office directors, Guan Chaojin and Mahamudi [name as transliterated], and others bought food and drink with public funds while conducting an inspection in Huocheng County; Ba Zan [name as transliterated] and Du Shirong, respectively deputy secretary of the Altay City party committee and mayor, and others, accepted a certain construction engineering team's invitation to dine at a restaurant; Wang Runkang, Aksu Prefectural Meteorological Office director, used public funds beyond his authorized limit to entertain Fu Jiamo, deputy head of the Autonomous Meteorological Bureau's Artificially Induced Climate Office, and others during a meeting and patronized

song-and-dance halls with public funds; and Zhou Xianhua, deputy head of Wuqia Prefecture, attended a family dinner hosted by the manager of a certain company using public funds. All the leading cadres

at the prefectural and office levels mentioned above have been separately disciplined by the party and the government.

'Analysis' of Li Teng-hui's Visit to U.S.

OW1306045495 *Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 11 Jun 95*

["Analysis" by station editor Song Ming, from the "News and Current Events" program: "Li Denghui's Mentality and the Welfare of the People on Taiwan"]

[FBIS Translated Text] Dear listeners, Li Denghui's [Li Teng-hui] visit to the United States has caused strong repercussions in Sino-U.S. relations, and cast new variables for the progress of cross-strait ties. Although the ruling authorities on Taiwan are elated and proud for his trip, what the people are really concerned about is this: What effects will it produce for cross-strait ties? Will it affect social stability and economic prosperity in Taiwan? Will it bring about welfare for the people? Our station editor Song Ming wrote an analysis entitled "Li Denghui's Mentality and the Welfare of the People on Taiwan." Here is the article:

While talking about the purpose of his U.S. trip, Li Denghui stressed that the most important significance of his trip to the United States is to demonstrate Taiwan's existence. He said: The most important purpose is to make sure that all other countries will acknowledge Taiwan's political status. This represents the entire thinking regarding his U.S. trip, which is a major issue severely affecting Sino-U.S. relations as well as cross-strait ties.

If we measure this mentality on the high plane of whether it is beneficial to the development of cross-strait ties and to the country's lasting peace and stability, then we can judge whether it will bring about welfare or disaster to the people on Taiwan.

As we all know, there is no need for Taiwan to particularly emphasize the so-called "existence" considering its current extensive non-governmental ties with other countries. Meanwhile, given various issues currently existing on the island and in the cross-strait ties which urgent need to be solved, it is not so much an urgent matter to publicize things like Taiwan's economic achievements and political status.

In terms of the constitutional reform in Taiwan, many issues have not yet been settled. The progress of its political democracy has been hampered because of the involvement of money, violence, and criminal syndicates. Many problems are waiting for the rulers in Taiwan to resolve as soon as possible. These problems include such unstable factors as emboldened expansion of Taiwan independence forces, unfair social distribution, and difficulties in economic development, and in the breakthrough of upgrading and updating industrial products.

In terms of cross-strait relations, both sides have made great progress. But many major issues are still waiting to be resolved and many obstacles to be removed. For example, compatriots on the two sides of the Taiwan Strait are concerned about the establishment of direct links between the two sides for postal, air, and shipping services, expansion of economic and trade exchanges, as well as the lifting of bans on economic and trade cooperation and on exchanges of personnel. All these problems are very urgent and waiting for the rulers in Taiwan to resolve with their wisdom, courage, and insight.

Under these circumstances, Li Denghui's insisting on expanding living space for Taiwan in the international arena is nothing but an attempt to put first things last and last things first. He has attended to trifles to the neglect of essentials.

At present, it is difficult for the two sides to reach a consensus in a short period of time on the discrepancies between their political systems and opinions. Any leaders who have foresight and wisdom should take into consideration the political realities and, in light of the principle of seeking common ground on major issues while reserving differences on minor ones, formulate perspective policies, and plan measures for alleviating and resolving in a rational manner various contradictions and problems emerging in the course of development. They should strive to create a peaceful atmosphere and actively promote benign mutual reactions. Li Denghui should not purposely aggravate the discrepancies existing between the two sides.

So far, the two sides have established a fine foundation for the development of their relations. In economic respects, the relations between the two sides are improving day by day. With mainland China as its inland, Taiwan has an even larger space for its economic development. In political respects, exchanges and dialogues at various levels have been increased and communication and understanding have deepened. Progress has been made in the talks between the Association for Relations Across the Taiwan Strait and the Foundation for Exchange Across the Strait on ~~routine~~ matters. All these have provided good conditions for the development of cross-strait ties.

Instead of taking this golden opportunity for the development of cross-strait ties and the promotion of Taiwan's economy, as well as making more practical advances, Li Denghui is indulging in provoking incidents and sabotaging the good atmosphere existing in cross-strait ties. He triggered a greater surge of voices for Taiwan independence and increased unstable factors in Taiwan society. A mentality like this will certainly bring

about unremediable damages for the people on Taiwan. The mentality and practice — which only takes into consideration Taiwan's or Li Denghui's personal status in the international community to the neglect of benign mutual reactions and the development of the cross-strait ties, peace and stability in the Taiwan Strait, as well as social stability and economic prosperity in Taiwan — are indeed a lack of wisdom and reason. If Li Denghui, a self-styled Moses, continues to lead the people on Taiwan in the historic role of Exodus with this mentality, which is harmful to the country's lasting peace and stability and against the fundamental interests of the people on Taiwan, a highly possible consequence would accord with the saying: The first act of human history is a comedy, while the second is often a tragedy. It is our hope that Li Denghui will realize his errors and mend his ways so that the people on Taiwan can avoid unnecessary disasters.

Professor Refutes Li Teng-hui's Remarks

OW1306101595 Beijing XINHUA Domestic Service
in Chinese 1044 GMT 12 Jun 95

[Report by XINHUA reporter Liu Gang (0491 0474): "Li Denghui Attempts to Take the 'Taiwan Independence' Road by Nonsensically Talking About 'Popular Sovereignty' — an Interview With Professor Wu Daying, a Political Scientist" —place and date not given]

[FBIS Translated Text] Beijing, 12 Jun (XINHUA) — "Popular sovereignty [zhu quan zai min 0031 2938 0961 3046]" has become Li Denghui's [Li Teng-hui] pet phrase lately. In his many lectures, he time and again advocated the so-called "popular sovereignty." In an interview with this reporter, Professor Wu Daying, director of the Political Science Institute under the Chinese Academy of Social Sciences and president of the China Political Science Society, said: The so-called "popular sovereignty" talked about nonsensically by Li Denghui is aimed at confusing public opinion and is an attempt to open the road to "Taiwan independence." This fully reflects the fact that Li Denghui has sunk deeper and deeper in the quagmire of "Taiwan independence".

Wu Daying said: At a provisional session of Taiwan's "National Assembly," Li Denghui had advocated the concept of "popular sovereignty." Apparently he had something in mind when he harped on this old tune in his speech at Cornell University. He was using this concept to explain Taiwan's "political democratization" and enhance its "international image." However, people with an iota of political sense and historical knowledge know too well that Li Denghui was deliberately confusing public opinion and promoting himself through the

use of this political science and international law concept.

Briefing this reporter, Wu Daying said: "Popular sovereignty" is also called "sovereignty of the people." This concept, combined with the concept of sovereignty in international law, has become a political theory widely accepted in various countries. It regards sovereignty as having untransferable, inalienable, and non-delegable characteristics. Based on the fundamental principle of international law, a country's sovereignty has an inalienability attribute. A country can only have one government as its representative for exercising sovereignty internationally. With its establishment on 1 October 1949, the PRC replaced the Republic of China [ROC]. The international community and the overwhelming majority of nations in the world recognize that there is but one China in the world and that the PRC is the sole legitimate government of China and Taiwan is part of China.

Wu Daying held that geographically, Taiwan does exist as an island. However, he said, this concept of geographical existence is completely different from the concept of "ROC," which, according to Li Denghui, "exists" and "has sovereignty." Wu Daying said: In international law, Taiwan does not have sovereignty at all; as a local government, Taiwan is not qualified to talk about popular sovereignty. As far as Taiwan is concerned, the term "popular" in the phrase "popular sovereignty" should refer to the entire 1.2 billion Chinese people, including the Taiwan compatriots. This is a question of principle about China's sovereignty, which must be clarified with meticulous care.

Viewing Li Denghui's advocacy of "popular sovereignty" as a demonstration of the "political democratization" in Taiwan, Wu Daying said this was sheer nonsense. He said: Popular will does not mean democracy. In addition to popular will as the basis, effective power for supervision and conditioning [zhi heng 0455 5899] is also required to become a democracy. Hitler came to power through popular elections, but the Fascist Germany could hardly be called a democracy. Wu Daying said: In the "added and amended constitutional articles" promoted by Li Denghui last year, the power of "president" has been further expanded, whereas the corresponding power of supervision and conditioning was weakened. It is not difficult to see that Li Denghui's so-called "popular sovereignty" is nothing but an idea appearing to be "democratic."

Wu Daying said: Li Denghui's promotion of so-called "direct presidential election" with a distorted theory of "popular sovereignty" shows that his inclination and determination to give up national reunification have gradually come to light and that he is vainly trying to sever

cross-strait relations and advancing towards splittism and the rule of separate regimes [fen lie feng zhi 0433 5933 0433 3112]. He said: Li Denghui's "popular sovereignty" echoes with the "Taiwan independence" elements' the fallacy that the establishment of a "Republic of Taiwan should be chosen and decided by all Taiwan residents through a plebiscite." This is extreme ignorance of and brazen trampling on history and international law. In this world, only residents of places without definite ownership vote to decide to whom the place belongs; Taiwan is not among such places. Moreover, the popular sovereignty can not be fulfilled merely by the decision made through a plebiscite in Taiwan without taking the right of the broad masses of people in the motherland into consideration. Wu Daying maintained: Li Denghui's attempt to jeopardize China's sovereignty and territorial integrity and violate international law and normal international relations will only make the international community despise and spurn the Taiwan authorities.

Non-CPC Personages Criticize Li's Speech

OWJ306041595 Beijing XINHUA Domestic Service in Chinese 1056 GMT 12 Jun 95

[By reporters Wang Zhi (3769 3589) and Fang Jin (2455 3866)]

[FBIS Translated Text] Beijing, 12 Jun (XINHUA) — Some democratic parties, the All-China Federation of Industry and Commerce, and other relevant mass organizations held a forum in Beijing today. They harshly criticized Li Denghui [Li Teng-hui] for openly creating "two Chinas" and "one China, one Taiwan" in his speech at Cornell University.

The meeting was chaired by Shen Qiuwo, vice chairmen of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang. They vied to speak and expressed great indignation over Li Denghui's betrayal of the cardinal principles of righteousness of the nation. Jia Yibin, vice honorary chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, said that Li Denghui used to talk a lot about "reunification," but his current private visit to the United States has revealed his true feature — that is, he is advocating "independence of Taiwan" in an attempt to split the country. He said he hopes that Li Denghui would not go too far on the road of trying to attain "one China, one Taiwan," or "two Chinas." Otherwise, he could hurt both himself and others and the consequences cannot be good. He said that since Mr. Sun Yat-sen on his deathbed called for promoting peace and working hard to save China, the Revolutionary Committee of the Chinese Kuomintang will carry on his behests, hold aloft the banner of patriotism, and

continue to work hard for the great cause of peaceful reunification of the country.

Ma Dayou, vice chairman of the Central Committee of the China Democratic League, pointed out that Li Denghui's performance during the current U.S. visit well demonstrated that he has embarked on the path of splitting the country with the assistance of foreign forces, and he will surely be spurned by all Chinese. He said that his party resolutely supports the proposals and views on promoting peaceful reunification of the motherland put forward by General Secretary Jiang Zemin on the eve of this year's Spring Festival. He said he believes that through joint efforts of the people on both sides of the Taiwan Strait, national reunification will eventually be realized, as this is beyond the power of anybody to hinder.

Yao Jun, vice chairman of the Central Committee of the Chinese Peasants' and Workers' Democratic Party, said: Li Denghui's preaching at Cornell University about "one China and one Taiwan" and "two Chinas" was entirely political propaganda, showing more clearly than ever that his visit to the United States is not a "private one" at all. Li Denghui's reliance on the support of foreign forces to engage in the activities of splitting the motherland will surely make him condemned through the ages.

Zhang Xuwu, vice chairman of the Executive Committee of the All-China Federation of Industry and Commerce, said that the Federation recently has received letters and cables from its members across the country, expressing their indignation over Li Denghui's speeches and deeds in trying to split the motherland. Jin Kaicheng, vice chairman of the Central Committee of the Jiusan Society, said that Li Denghui's speeches deceive the people, mislead the public and openly try to split the motherland. Li Denghui said unblushingly that "he always keeps in mind the people's aspirations," but in deed he is viciously distorting and brutally trampling on public opinion, and the Chinese people, including the Taiwan compatriots, demand reunification. Lu Ming, vice chairman of the Central Committee of the China Democratic National Construction Association, said that Li Denghui in fact "always keeps in mind what the Taiwan independence advocates want"; some foreign forces are reluctant to see China reunified and powerful; and Li Denghui is just trying to build himself up with foreign assistance and trying to achieve the "independence of Taiwan."

Li Jiaquan and Gao Cunxin, members of the boards of directors of the China Council for Promoting Peaceful Reunification and the Huangpu [Whampoa] Military Academy Alumni Association respectively, share

the following views: Li Denghui's speech at Cornell University was highly political. He mentioned over and over "the Republic of China in Taiwan" in an attempt to fix and perpetuate the state of separation between the two sides of the Taiwan Strait. However, no matter how hard he cudgels his brains, he cannot change the fact that "Taiwan is a part of China." The Chinese Government and people will never waver nor make concessions over the issue of national sovereignty and territorial integrity.

Li's Speech Attacked by Noncommunist Parties

*OW1206161895 Beijing XINHUA in English
1527 GMT 12 Jun 95*

[FBIS Transcribed Text] Beijing, June 12 (XINHUA)—Li Teng-hui's speech at Cornell University was nothing but an attempt to split China, a dozen senior leaders of China's non-Communist parties and the All-China Federation of Industry and Commerce (ACFIC) said at a symposium here today.

Jia Yibin, deputy honorary chairman of the Revolutionary Committee of the Chinese Kuomintang, said, "Li Teng-hui used to talk a lot about 'reunification'. But his current 'private visit' to the US has revealed his true feature, i.e., that he is advocating the 'independence' of Taiwan in an attempt to split the country."

He said he hopes that Li Teng-hui would not go too far on the road of trying to attain "one China, one Taiwan", or "two Chinas".

Ma Dayou, vice-chairman of the China Democratic League (CDL), said that Li's performance in the US well demonstrated that he has embarked on the path of splitting the country with the assistance of foreign forces.

"He will surely be spurned by all Chinese," said Ma, adding that his party resolutely supports the suggestions and proposals of Communist Party General Secretary Jiang Zemin, which were put forward some four months ago.

He said he believes that through joint efforts of the people on both sides of the Taiwan Straits, national reunification will eventually be realized, as this is beyond the power of anybody to hinder.

Yao Jun, vice-chairman of the Chinese Peasants' and Workers' Democratic Party, said that Li Teng-hui's preaching at Cornell University about "one China and one Taiwan" and "two Chinas," shows more clearly than ever that his visit is not a private one in the least.

Other leaders of non-Communist parties also voiced their opinions at the symposium. They pointed out that some foreign forces are extremely reluctant to see China

reunified and powerful, and Li Teng-hui is just trying to build himself up with foreign assistance and trying to achieve the "independence" of Taiwan.

Wu Daying, a leading Chinese professor of politics and director of the Research Institute of Political Science under the Chinese Academy of Social Sciences, told XINHUA today that Taiwan's existence as a separate island state is out of the question, and this is simply another attempt at advocacy by Li Teng-hui.

Touching on Li Teng-hui's boast that "Sovereignty lies in the hands of the people", the professor said that this is "ridiculous".

"Public opinion is not equal to democracy. With public opinion as its foundation, democratic politics can only be achieved with effective supervision of power," he argued.

Wu held that Li Teng-hui intends to damage China's sovereignty and territorial integrity, and infringe on international law and normal international relations. This will only lead to contempt for and the casting aside of the Taiwan authorities by international community.

Article Claims Taiwan Creating 'Two Chinas'

*OW1206144595 Beijing XINHUA in English
1429 GMT 12 Jun 95*

[FBIS Transcribed Text] Beijing, June 12 (XINHUA)—The Taiwan authorities have gone so far in recent years as to openly create "two Chinas" in the world, which has posed great difficulties for the development of the relations between two sides of the Taiwan Straits, a signed article in next week's edition of "OUTLOOK" WEEKLY [LIAOWANG] points out.

"This merits the attention and vigilance of all Chinese including Taiwan compatriots," says the article, under the title, "Evidence of Taiwan Authorities Flouting the 'One China' Principle".

It is not accidental that the "two Chinas" policy of the Taiwan authorities has emerged, as a clear trail has been followed, the article says.

The article summarizes the major shifts from the "one China" stand the Taiwan authorities have made since Li Teng-hui came to power as:

— From early 1988, after Li Teng-hui came to power, to March 1991 when the Taiwan authorities publicized the "Outline of National Unification", after some attempts at "one country, two governments" and "one country, two regions", the Taiwan authorities basically took the attitude and adopted the principle of "two equal political entities" in its regulating and coping with the relations between the two sides of the Taiwan Straits.

— Since 1992 the Taiwan authorities have wavered greatly on the issue of "one China", and have begun slipping gradually toward a "two Chinas" stance. Thus, it has put forward the theory of "split the country and rule by separate regimes", and started its "elastic diplomacy". This is clear evidence of the severe deterioration of the Taiwan authorities as regards their policy concerning the "one China" principle.

— Since early 1993 the Taiwan authorities have come out into the open with their stand of "two Chinas". Following his tour of the Middle East, Li Teng-hui went to the U.S. for a "private visit" so as to create "two Chinas" disguisedly in the world. Taking a close look at the island, it is easy to see that the Taiwan authorities have already tried every means possible to undertake direct election of the "president" and to pass the "Citizens' Voting Law" in an attempt to push, on the pretext of public support, Taiwan onto the open path of independence.

The article also pointed out the background to the Taiwan authorities' stepping back on the issue of "one China", which is attributed to the consolidated position of the political force with Li Teng-hui as its head, the economic development of Taiwan, the rapid development of the Democratic Progressive Party and the perfidy of some Western countries.

The article concludes that whether the Taiwan authorities insist on "one China" or insist on creating "two Chinas" is a vital issue concerning both the future and fate of Taiwan. It is also a cardinal issue determining whether the future of China is unification or chronic separation.

It reaffirms that the Chinese Government and people will not make any concession on this issue of principle and will resolutely crack down on any such activities of separation.

Further Reportage on Li Teng-hui Statements

Pre-Conference Statement

OW1206140995 Taipei China Broadcasting Corporation News Network in Mandarin 0845 GMT 12 Jun 95

[Statement by Taiwan President Li Teng-hui prior to a news conference held at the Taipei Chiang Kai-shek International Airport — live]

[FBIS Translated Text] The two secretaries general [Wu Poh-hsiung and Ding Mao-shih, National Security Council secretary general], reporters, ladies and gentlemen: Greetings! First of all, I would like to thank you all for making the trip to the airport to attend the news conference. On behalf of the visiting group, I extend our appreciation. I have learned from the television and the press that during my short visit to the United States, Typhoon Diana incurred heavy losses on our people in the eastern region. I express my concern and solicitude to the people on their losses during the disaster. After hearing a briefing from [Taiwan] Governor Sung Chu-yu just now, I have instructed him that efforts should be made promptly to rehabilitate the disaster region. This is my utmost concern at the moment.

My visit to the United States, which began with preparations in late May and ended upon our return to Taipei today, lasted about three weeks. With the planning, preparations, journey, and return, the three weeks went by quickly. Amid the tight schedule, the visiting group received assistance and cooperation from the Ministry of Foreign Affairs and all government departments concerned; the visit went smoothly, and we returned home safely. Here, I would like to express my gratitude to our fellow countrymen for their support and interest in the visit. As the visit was called a private visit, or an unofficial visit, naturally most activities abroad were centered around the Cornell University campus. In addition to our countrymen's concern and support, the success of the visit should be attributed to the U.S. side's great assistance, especially U.S. President Clinton's wise decision on this matter, as well as conveniences provided by the Department of State and other U.S. Government agencies and their efforts on the security question during our stay in the United States. I would like to take this opportunity to express our gratitude to them. Nevertheless, the most important help of all came from the Cornell University president and his wife and colleagues, including all alumni. As the result of their support and preparations, the visit was affirmed by all. However, on our way home, we were a bit regretful of being unable to call on all our compatriots residing abroad. I was very touched by their enthusiasm and spirit in identifying themselves with the country and

the government at the airports, in front of the hotels, and inside the hotels in the case of representatives of overseas Chinese. Regrettably, we were unable to visit all overseas Chinese residing in the United States to inquire about the hardships of prolonged residence abroad. We only had the opportunity to meet their representatives in Los Angeles, Ithaca, and Anchorage to discuss these issues with them. Herein lies the greatest (?success) of our visit, I believe. Meanwhile, as Secretary General Wu has just said, you helped us the most — the reporters and mass media, including media units — through your enthusiastic support. Every detail of my activities was given full coverage in the television and press. I was able to find out only through my last phone call home from abroad about some activities which I did not even know were reported in Taiwan in detail. I am very grateful for the media's concern and support. Without your enthusiasm, the visit would not have been a great success.

I would like to briefly discuss the contents of my speech at the Olin Lecture, on which, I believe, much has been said. At the core of the speech is how I could take the opportunity to voice the aspirations of our 21 million countrymen. Whatever the people desire is always in my heart. There is nothing else in my heart but my countrymen's wishes and issues of their concern. In addition to expressing our appreciation to the United States for its long-term assistance to the Republic of China's [ROC] development, I wanted to emphasize in the speech the ROC's economic miracle in the past more than four decades, its political miracle in recent years, and the importance of Taiwan's experiences. I believe that it may be the first time for many American friends to hear what I discussed in my speech at the Olin Lecture: The ROC wants to repay the United States for its assistance to us in various fields; and our process of democratization is, in fact, like that in the United States. I believe that I clearly explained these issues to the audience in my speech.

In conclusion, I would like to point out that through the visit, our people at home should further understand that we must voice our aspirations and must further unite as one in tiding over our nation's current predicament. This is a very important breakthrough. One point I must emphasize here in particular is that our country must be reunified. Our country must be reunified to become a China where there is freedom, democracy, and even distribution of wealth. This is our ultimate objective. I again want to emphasize that in view of our country's current circumstances, we must have ample international space. My visit can more or less help obtain such international space, if it can result in more understanding from various foreign countries for the

ROC's circumstances and wishes [words indistinct] for the ROC's progress and development. Finally, I want to thank our 21 million countrymen for their protracted struggle which has slowly gained recognition. Only by so doing can we win positive responses from all. Today, I want to thank you all for attending the news conference, and thank my countrymen for their support and concern. Thank you, thank you!

Li Holds News Conference

OWI206141195 Taipei China Broadcasting Corporation News Network in Mandarin 0855 GMT 12 Jun 95

[News conference by President Li Teng-hui for foreign and domestic reporters at Taipei's Chiang Kai-shek International Airport on 12 June — live]

[FBIS Translated Text] [Chang Wei-chuan] I am Chang Wei-chuan of the China Television Corporation. I would like to ask President Li Teng-hui this question. You said in the Olin lecture that "whatever the people desire is always in my heart." In your speech you stressed particularly your belief that what people want most of all today are democracy and development. My question is, if the people's desire now is for you to continue leading our country in its development next year, will you submit to this desire? There is also a simple question of numbers. What kind of a mark should this visit to the United States receive? Some media have given you a mark of 85 out of 100, but you said this was too low. Director-General Hu [of the Government Information Office] said it deserves a mark of more than 100. What, in your opinion, is the basis of such a mark? Thank you.

[Li Teng-hui] I don't think the visit to the United States has anything to do with the so-called build-up of momentum in the election campaign. There is no truth in it at all. This visit was solely for the purpose of breaking our country's predicament. I would like to take this opportunity to let everyone know this. This is, I believe, the most important thing.

As for giving marks for the visit, I really do not deserve any. Even 85 is too high a mark. I also think it may not be something you can put a numerical mark to. The important thing is the satisfaction we all got from it. I do not have much of an opinion of whatever marks people might give. Thank you.

[Male reporter in Chinese] I am [name indistinct] of MAINICHI SHIMBUN. After President Li's visit to the United States, there is a strong interest in Japan about when President Li may visit Japan. What are your plans for visiting Japan or another alma mater of yours, Kyoto University? Thank you.

[Li Teng-hui] I understand that almost all Japanese newspapers showed an interest in this question after the speech. It is not a problem we can solve on our side. It is up to the Japanese. We have to wait and see what the Japanese think. If I, Li Teng-hui, can fully represent the 21 million people in the Republic of China [ROC], I would like to visit as an alumnus or on some other worthy occasion. I would hope the Japanese side will make some effort in this regard.

[Fan Chun-wei] I am Fan Chun-wei of [word indistinct] radio station. The phrase "the people's desire is always in my heart" has been heard all over the world in the past week. Which ardent wishes of the people will be made a top priority in the remainder of your term?

[Li Teng-hui] As a matter of fact, in 1990, during the period before the election campaign for the eighth presidency started — you will know what I mean if you dig out and read the newspapers of that time — I said this in commenting on political reform and [words indistinct]: Let the voice of the people [words indistinct]; let their voice help me and guide me in the things I do. As for the question what I should devote myself to most in the remaining year — 11 months to be more exact — it depends on what the people want. I believe they want to speed up the judicial reform now under way, education reform, they want more emphasis put on improving public order, and on building a new society; these are the most important tasks facing us. There are also cultural activities, administrative reform, and infrastructure for the Asia-Pacific operations hub project that has just started. All these are things we should work hard on and on which the people want to see good progress. Thank you.

[Huang Wen-chun] Huang Wen-chun of LIEN HO PAO. How are you, Mr. President? Even though the U.S. trip was a private visit, it is, however, an undeniable fact that you are the head of state of the Republic of China. In the Olin lecture you discussed and promoted Taiwan's reform experience and remarkable achievements, underscored the fact that the international community has for years deliberately ignored Taiwan's existence, and expressed our strong desire to take part in international affairs and return to the international community. These goals have received a positive response. My question for the president is that in view of all this experience, will diplomacy by the head of state become the mainstay of our country's future diplomatic efforts in countries with which we do not have official ties?

[Li Teng-hui] Not necessarily. Previously, there was some contention and controversy over diplomacy by the head of state. My view of it has been consistent. It is just a matter of convenience. Pragmatic diplomacy is

a sort of unofficial diplomacy. It can take any form, such as, for example, economic diplomacy. Pragmatic diplomacy can be conducted in a variety of ways, such as through economic and other channels. I believe that it does not always have to be diplomacy by head of the state. Conducting official diplomacy has been difficult. This being the case, I think there is a need for us to seek assistance from unofficial diplomacy. Developing an overall diplomatic strategy is something we have to tackle in the days ahead. Thank you.

[Chang Chun] I am Chang Chun of CHUNG-KUO SHIH-PAO. Mr. President, you described your U.S. visit as mountain climbing — a difficult, yet worthwhile journey. During your private visit, were there people you wanted to meet, places you wanted to visit, and issues you wanted to discuss and yet you did not have the opportunity to do so? Also, if you had another chance to visit the United States, what would be your plan? Thank you.

[Li Teng-hui] Thank you, thank you. The main purpose of my U.S. trip was to address the Olin lecture in my alma mater. Aside from that, I did not intend to visit any VIP's. That was impossible. What will take place in the future depends on the future situation. It is likely that future prospects will be even broader. The situation in the future is quite uncertain. So [words indistinct] depends on the situation at that time. Thank you.

[Reporter] I am [name indistinct] a reporter with LIBERTY TIME. Mr. President, in your remarkable speech at Cornell University's Olin lecture, you stated that you would not rule out the possibility of meeting the Chinese communist leader, Mr. Chiang Tze-min [Jiang Zemin], on some international occasion. If you actually meet Mr. Chiang one day, what would you most want to talk to him about? You also stressed before your U.S. trip that the Chinese communist authorities should not use the big nationalism issue to press Taiwan for reunification. I believe that, after your U.S. visit, you will feel even more strongly about this matter. Recently, the Chinese communist authorities have repeatedly criticized you and your U.S. trip using emotional language. What is your comment on this? Thank you.

[Li Teng-hui] One very important aspect of this issue is that relations between the Republic of China [ROC] and the Chinese communist authorities had long been beset with (?distrust). Thus, I responded to Mr. Chiang's eight-point proposal with a six-point response. My conclusion is that Chinese people should help Chinese people. This is one basic requirement. To help China [as heard] [words indistinct] the Chinese communist authorities. The biggest problem facing the Chinese communist authorities is how to maintain stability at a time

when they have succession problems. Agriculture is the Chinese communist authorities' another big problem. As far as agriculture is concerned, I am quite specialized in it. Even though I live in Taiwan, I have been quite concerned with mainland agricultural issues. We can assist the mainland in this respect. If there is a chance to meet him, I will say to Chiang jokingly: Mr. Chiang, you are a layman in agriculture, let me help you in this area. [words indistinct] is competition, we should help each other. (?This is good for us Chinese people) This is my personal observation. I certainly will say this when there is a chance to meet him. Thank you.

[Huang Wen-tun] I am SHIN-PAO reporter Huang Wen-tun. Mr. President, I have a question regarding something you often said, namely: Existence brings hopes; existence brings developments. Do you think your U.S. visit is a realization of your observation? Which areas do you think your private U.S. trip will affect? In what way do you think the people should adjust psychologically and prepare themselves to face future changes? Should you visit other countries, or seek another presidential term in the future, in what way will you apply your observation that existence brings hopes and developments? Would you please take this opportunity to give the nation an explanation? Thank you.

[Li Teng-hui] The concept of existence (?appeared 100 years ago and it reappeared) in the latter part of the 20th century as a basic philosophical idea. A person is worthless if he does not exist. How can a person have hopes if he does not exist? The philosophical meaning of existence is very broad. A country, or a society, is just like an individual. I think the Republic of China is now facing the problem that its existence is virtually ignored, and that it cannot play its part in the world community. Thus, I think we must help people understand that, in the current international situation, the Republic of China has diplomatic relations with 27 countries. Among the world's 135 countries, only a small number of countries recognize the Republic of China. The Republic of China is now indeed (?in such a situation). What the Republic of China needs most is that it be regarded as a sovereign country. Our sovereignty rests with the confirmation of our identity. This is most important. [words indistinct] should not go astray [words indistinct] We do not intend to create two Chinas. Just think, if we do not have our sovereignty and if the fact that we are a political entity is not acknowledged, what will be our position when our country has to be reunified? I think we should give this issue some thought and know what we must do. As to what will occur in the future on this issue, there is only thing I want to say: We should identify ourselves with our country. We all should unite and cooperate.

Among those demonstrators camping on the Cornell campus, I saw there were unification advocates, Taiwan independence advocates, and (?middle-of-the-roaders). In foreigners' eyes, Taiwan is quite democratic. But to upgrade our international status, we should identify ourselves with our country, and we should be more united (?and work for) further developments in our country.

[Pao Chueh-sheng] I am CHINA POST reporter Pao Chueh-sheng. Mr. President, U.S. media have given you extensive coverage. Are you satisfied with their portrayal of you?

[Li] The schedule of my U.S. trip, including my speech and other activities at Cornell University, was very tight. As I said a while ago, I must thank the reporters in our country for their extensive coverage of my trip. I would feel bad if, at this time, I could not give them an opportunity to report my trip. Similarly, I am extremely thankful to the U.S. media for their extensive coverage of my trip. U.S. newspapers, big and small, and television stations extensively covered the speech I made on behalf of the 21 million people of the Republic of China [ROC] on Taiwan. I am extremely thankful for the U.S. media's support in this regard.

[Liang Chung-li] I am CNA reporter Liang Chung-li. Mr. President, we know that, when you were in the United States, you had the opportunity to meet with U.S. businessmen and industrialists, but we do not know whether they have any plans to coordinate with the operations of the Taiwan Asia-Pacific Operations Center when you introduced this center to them?

[Li] The plan to establish the Taiwan Asia-Pacific Operations Center was conceived only six months ago. We can say that it will take a very long time before this long-range plan can become a reality. I think there will be opportunities for us to hear the views of U.S. businessmen, and especially those who are associated with Cornell University, such as its alumni, about the Taiwan Asia-Pacific Operations Center. As I said, the plan was conceived only six months ago, and many projects of the center require the views and suggestions of all quarters so that we can make improvements and proceed with the plan with success. I hope there will be opportunities for me to meet with them and discuss the center, and I am sure that their views will be very helpful for the center. I hope they will point out our problems. In the future, we will, through various channels — such as the Council for Economic Planning and Development, the Ministry of Economic Affairs, and other departments — solicit the views of American people about our Taiwan Asia-Pacific Operations Center.

[Chen Shu-chih] I am TZU-LI WAN-PAO reporter Chen Shu-chih. Mr. President, your journey of the century can be said to be a major achievement of our pragmatic diplomacy. Specifically, because the U.S. visit has guiding significance, many people predicted that your trip might affect mainland-Taiwan relations. Before your departure, Mr. President, you said that you hoped your trip would promote cross-strait understanding and relations. How will we handle our relations with the mainland after we have achieved this major diplomatic breakthrough?

[Li] I said before that the purpose of my trip was not to create two Chinas, but to let the voice of the people in Taiwan be heard. Our people should not be too critical of the government because of the problems we have encountered in the international community. I think that we may have to discuss these problems with the mainland side through various channels or [words indistinct] so as to promote understanding between the two sides. I think it may not be very proper to handle all issues by politicizing them. I am very (?earnest) and sincere in this regard. I think we should not regard these issues as something which may trigger worldwide chaos [tian xia da ruan].

[Tsui Yue-tai] I am Tsui Yue-tai of the China Television System. Mr. President, you must be very tired after this trip. I would like to ask, in your view, what will be the most difficult hurdle on the route from Taipei to Washington and how do you plan to surmount it? The second Ku-Wang talks will be held next month. In view of the strong reaction from the Chinese communists, what are your expectations of the talks? There was a media report that the Chinese communists have asserted that they will, as they put it, defend Taiwan with force. What are your comments? Thank you.

[Li] I cannot sufficiently answer your question because I myself need to study the situation. I am just back and I have not fully considered this question. As for the route to Washington, there is not much [words indistinct] at the moment. Let us see how things develop. We should not make too much of this visit at the moment. This visit is just an opening, a start. We will have to see how things develop. The Ministry of Foreign Affairs and other sectors will pay close attention. As for the question of the Ku-Wang talks, I think they should not get involved in politics. The talks are for settling and exchanging views on technical and routine problems. It is my hope that the two sides will not get emotional and complicate the situation. I hope that the talks will start on 20 July as scheduled.

[Wang Chih-yun] I am Wang Chih-yun of Taiwan Television. The speech — "The People's Wishes Are

"Always in My Heart" — the president gave at the Olin Lecture at Cornell University has received great attention at home and abroad. Director General Hu of the Government Information Office said that you were changing the draft all during your trip, making changes even on the night before the speech. I would like to ask the president what was on your mind when you were revising the draft.

[Li] We were notified of the trip around 20 May. [passage indistinct] was assigned to organize a group to draft the speech. I gave them instructions as for the main points of the speech. A draft was completed on the 25th or 26th, after about five or six days. I felt that the draft needed revising and improving. Therefore, most of the draft was revised during the three-day Dragon Boat Festival vacation at the end of May. The (?length) of the title was also revised time and again until shortly before the eve of the departure. The press report that the title was still undecided the day before the speech was delivered [words indistinct]. On the eve of the departure, the draft and title of the speech were finalized. The most important point is that our political reform and other issues could not have been accomplished by myself alone; and they represent the aspirations of the 21 million people. My initial proposed title was, in English, "What Do People Want." That title of my speech appeared very vague. Through study and revision, the title and content of the speech, "Wishes of the People Always in My Heart" became the second draft title, which was believed to be too long. The title should be brief in order to enable the American audience to understand it instantaneously. Hence, "Always in My Heart" became the final title of the speech. "Always in My Heart" is actually a phrase from our "Book of History." But the draft is not an English translation from Chinese, but a Chinese translation of English. The draft was originally written in English. This is my explanation on this important question. Where do the aspirations of the 21 million people lie? I believe the answer can be found from my speech presented at the Olin Lecture. If this question can be resolved, the 21 million people's aspirations can really be relayed to our American friends and all friends abroad. Thank you!

[Wu Poh-hsiung] Ladies and gentlemen, we are sorry, but time is up. Let us save a few minutes for the president to say a few words to compatriots across the nation.

[Li] Thank you very much. In conclusion, I would like to say that even though my speech has received high praise, I am still not satisfied with it. What is important about my speech is the concern shown by all members of the media. Whether at home or abroad, you have worked hard to disseminate the speech. The

more effort you exert, the greater results we can achieve. Therefore, I would once again take this opportunity to thank you all. This is something achieved through the conscientious, concerted, harmonious efforts by you all. Thank you all!

More on News Conference

OW1306023795 Taipei CNA in English
0157 GMT 13 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 12 (CNA) — President Li Teng-hui, in a press conference upon his return from his US trip, said Monday that what the Republic of China [ROC] needs most is an affirmation of its sovereignty by the international community.

Li, who looked to be in good spirits despite a flight of more than 10 hours from Anchorage, pointed to the difficulty the ROC has had in cultivating international ties, being recognized by only 27 out of the world's 184 countries.

He again cited the catchphrase he has mentioned before on several occasions — "where there is existence, there is hope; where there is existence, there is development" — to underscore the significance of his US visit.

"If the ROC has no sovereignty at all and is not recognized as a political entity, then what exactly have we been doing in talking with Beijing about the reunification of China?" Li asked.

Li said his remarks at Cornell University on Saturday were primarily intended to convey a message of how the ROC has created an economic and political miracle under the long-term assistance of the United States, as well as to demonstrate how the voice of Taiwan's 21 million people has gone unheard because of Beijing's obstruction.

But Li also seized the opportunity to emphasize that "the trip was in no way aimed to create two Chinas," as Beijing has charged.

He called the ongoing high-level talks between the two intermediary bodies of Taiwan and Mainland China "technical" in nature and not political, and said they should continue. To vent its anger at Li's US visit, Beijing has threatened to postpone the scheduled July 20 talks between Ku Chen-fu, chairman of Taiwan's Straits Exchange Foundation, and Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait.

Li also urged Beijing to eschew the use of force in tackling the issue of reunification. "The Chinese should help each other," Li said, referring to his six-point

statement in response to mainland Chinese President Jiang Zemin's peace overture to Taiwan earlier this year.

Asked what he would discuss with Jiang if the two were to meet, as Li proposed during his Cornell speech, Li said he would joke to his counterpart, "you're only a layman in agriculture, just let me help you" — referring to Mainland China's grain shortage. Li received a doctoral degree in agricultural economics from Cornell University 27 years ago, and his dissertation was cited as being the best in the field that year in the United States.

At the press conference, Li also pledged to create a new situation for his country during the remainder of his tenure — about 11 months — by pushing for judicial, educational, and administrative reforms and by transforming Taiwan into a regional- operations hub.

Li, his wife, and a small entourage returned to Chiang Kai-shek International Airport at 4:25 p.m., concluding a six-day private visit to the United States.

On hand at the airport to welcome Li were Vice President Li Yuan- zu, Premier Lien Chan, and other ranking government officials.

Spokesman Refutes Accusation on Li's U.S. Trip

OW1306080895 Taipei Voice of Free China in English 0200 GMT 12 Jun 95

[FBIS Transcribed Text] On 10 June, President Li Teng-hui concluded his historic visit to the United States, paving the way for greater diplomatic recognition for the Republic of China [ROC] on Taiwan.

President Li is the first ROC head of state to visit the United States since Washington switched diplomatic ties from Taipei to Beijing in 1979. Beijing, denouncing the visit, Saturday accused Li of creating "two China's," saying the trip has damaged the friendly relations between Washington and Beijing, and further increased the tension across the Taiwan Strait.

In the face of Beijing's protest, ROC Government spokesperson Jason Hu Saturday refuted Beijing's accusation that the trip has jeopardized Washington-Beijing ties. Hu said: President Li is optimistic about the cross-Strait relations, and is confident in seeking peaceful ways to solve the dispute between the two countries.

Before leaving Cornell University, President Li's alma mater, Li said he will visit the campus again. President Li earned a PhD. degree in agricultural economics from Cornell in 1968. He is scheduled to return to Taiwan on Monday afternoon.

Business Leaders Hail Li's U.S. Visit

OW1306024195 Taipei CNA in English 0207 GMT 13 Jun 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, June 12 (CNA) — Local business leaders on Monday hailed the just-concluded visit to the United States by President Li Teng-hui, saying it has greatly boosted Taiwan's presence in the international arena and will help increase cross-strait economic ties.

Both Kao Ching-yun and Wu Sze-chung, the respective chairmen of the Taipei-based Chinese National Federation of Industries (CNFI) and the Council for Industrial and Commercial Development, said Li's speech at Cornell University on Saturday clearly and adequately transmitted the thoughts and feeling of Taiwan's 21 million people, allowing the international community to forge a "comprehensive understanding" about Taiwan.

CNFI Deputy Secretary-General Chen Ching-nan pointed out that Li's US visit has successfully strengthened Taiwan's international presence, and was far more effective than any publicity campaign. He stressed that the value of Li's visit was "incalculable."

Meanwhile, Wang You-cheng, chairman of the ROC [Republic of China] General Chamber of Commerce, said Li's trip not only has upgraded Taiwan's international status, but also has given a boost to the nation's bid to re-join the United Nations.

Both Wang and Kao were also of the opinion that Taiwan-US economic and official exchanges will be further strengthened and that Taiwan-mainland trade and commercial ties would not be hurt despite the strong criticism of Li's visit by Beijing.

Although Beijing has repeatedly blasted Li's US visit and has said cross-strait relations would be hurt, Taiwan business leaders said they believe that both long-term and short-term Taiwan-mainland ties will not be affected because of the irreversible nature of Mainland China's economic reforms.

Wu also urged mainland Chinese authorities to respond in a friendly manner to Li's proposal that leaders from the two sides meet at an international occasion, stressing that the proposal was also coming from Taiwan's 21 million people and should thus be considered carefully by Beijing.

Li's U.S. Visit Embodies 'Enduring Friendship'

*OW1306102195 Taipei CNA in English
0930 GMT 13 Jun 95*

[By Bill Wang and Sofia Wu]

[FBIS Transcribed Text] Washington, June 12 (CNA) — ROC Foreign Affairs Minister Chien Fu expressed his gratitude here Monday for the Clinton administration's decision to grant a visa to President Li Teng-hui to visit Cornell University for an alumni reunion.

"Lee's June 7-11 visit to the United States embodies the enduring friendship of many of our American friends," Chien said, adding it also marks a recognition of the strength of the Republic of China [ROC] on Taiwan.

Chien made the statement at a question and answer session following a speech on the ROC's role in the Asia-Pacific at a luncheon in Chicago hosted by University of Chicago Chancellor Hugo F. Sonneschein.

Chien said both the ROC and the U.S. faithfully observed their original understanding to keep Li's reunion visit private in nature.

In his speech, Chien said the ROC has completed constitutional reform and held regular elections to reflect the diverse demand in a pluralistic society. Economic liberalization in recent years has helped sustain Taiwan's economic vitality and boost its economic development. Taiwan is now the world's 14th largest trading nation and ranks 19th in terms of gross national product (GNP). Meanwhile, Taiwan's per capital national income is the world's 25th highest.

With growing economic strength, Chien said, Taiwan is seeking to play a more active role in the Asia-Pacific, the world's fastest growing region.

To realize that goal, Chien said the ROC Government has launched an ambitious plan to develop Taiwan into a regional center for manufacturing, sea transport, air transshipment, financial services, telecommunications and the media.

"We have opened our market for free competition, greatly eased restrictions on investment and trade, improved intellectual property rights protection and allowed the free flow of information to attract domestic and foreign enterprises to use Taiwan as an Asia-Pacific regional operations center for further market penetration," Chien explained.

The ROC's Economic Affairs Ministry has signed strategic alliance agreements with 24 large foreign conglomerates, including 14 American enterprises. "We'll encourage these companies to increase investment in Taiwan and help them form joint-venture partnerships

with our companies to jointly explore Asia-Pacific markets," Chien said.

For all the progress Taiwan has made in political and economic fronts and its economic aid to many needy countries over past years, Chien said, the ROC has not been accorded the status it deserves. The ROC was a founding member of the United Nations, but it has been shut out of the organization since 1971.

Chien said the ROC should be given equal rights to participate in world affairs. "With our achievements in economic development and political democratization, it is unreasonable to continue shutting us out of major international organizations," Chien said, adding, "We hope our friends around the world will support our entry to all major international organizations."

Noting that the ROC Government has time and again reaffirmed its commitment to pursuing China's eventual unification, Chien said, that ultimate goal can only be realized gradually.

"What we want is unification under a system of freedom, democracy and equitable distribution of wealth," Chien said, adding, "only then can all Chinese lead a free, affluent life."

Chien said Taiwan has formulated the national unification guidelines, which call for "phased" development of relations across the Taiwan strait to pave the way for eventual national unification.

At the moment, Chien said, the two sides still cannot engage in bilateral direct governmental exchanges and talks because Beijing is still unwilling to renounce its threat to use force against Taiwan and has continued to block Taiwan's presence in the world stage. More important, mainland Chinese rule still fails to win the support of a great majority of Chinese people.

Chien said the ROC has been very cautious in handling its relations with Beijing to void escalating tensions in the Taiwan strait which would undermine its national security and economic development.

Chien arrived in the U.S. earlier this week for a week-long visit.

Yuan President's Washington D.C. Visit Detailed

*OW1306102095 Taipei CNA in English
0915 GMT 13 Jun 95*

[By N.K. Han and Y.C. Tsai]

[FBIS Transcribed Text] Washington, June 12 (CNA) — Chiu Chuang-huan, president of the Republic of China [ROC] Examination Yuan, was busy with a series of visits in Washington, D.C. Monday.

Chiu first called on Benjamin L. Erdreich, chairman of the Merit Systems Protection Board, to exchange views on protection and training for civil service personnel.

The Examination Yuan is responsible for the testing, employment and management of all civil service personnel in Taiwan.

Later, Chiu paid a visit to James B. King, director of the Office of Personnel Management. While King detailed the new U.S. personnel system, Chiu introduced Taiwan's examination system for civil servants and specialized professionals and technicians.

Chiu had lunch with Ms. Liu Mei-lien, the chief legal advisor to the House of Representatives. Appointed by Speaker of the House Newt Gingrich (R-Ga.), Ms. Liu is the first Chinese-American to serve as legal advisor to the house.

In the afternoon, Chiu visited acting Senate President Strom Thurmond (R-S.C.), who told Chiu that he was very happy to see the success of President Li Teng-hui's visit to the United States last week.

Chiu, in return, expressed his gratitude to the senator and thanked the Senate for supporting President Li's trip to an alumni reunion at Cornell University.

Chiu was accompanied by Benjamin Lu, Taiwan's representative in the United States, during the visits.

Article Views Changes in Cross-Strait Ties

*HK1206140195 Hong Kong WEN WEI PO in Chinese
7 Jun 95 p A3*

[*"Special Article"* by Jui Hsi (3843 0823): "New Changes in Cross-Strait Relations Since This Year"]

[FBIS Translated Text] Beijing, 6 Jun (WEN WEI PO) — In view of the situation inside and outside the island and the reality of cross-strait relations, General Secretary Jiang Zemin made an 8-point constructive viewpoint and proposal on the questions of cross-strait ties and the reunification of the motherland on the eve of the Lunar New Year. Jiang's speech had strong repercussions from within and outside the island and also attracted attention from and was valued by the international community, which gave great impetus to relations across the strait. Gratifying changes have been effected in cross-strait relations over the past half year or so.

Situation of High-Level Indirect Talks Takes Shape

Jiang's 8-point proposal has been well-received by various circles on the island and has also attracted the attention of the Taiwan authorities. On the third day after Jiang's speech, Li Teng-hui had to openly

acknowledge that Jiang's proposal "is an important matter, which merits attention." While delivering a "policy report" on 21 February, Taiwan's "Chief of the Executive Yuan" Lien Chan proposed a 16-character policy toward the mainland: "Facing the status quo, increasing exchanges, mutual respect, and pursuing reunification." He also said that cross-strait relations will "enter a period of consultation." Lien Chan's remarks are regarded as the Taiwan authorities' initial reaction to General Secretary Jiang Zemin's speech. Its significance lies in an end to the "three no's policy" pursued by the Taiwan authorities for a long time, which indicates that the two sides across the strait may have contacts and hold negotiations in the future. Undoubtedly, this point is of positive significance. Li Teng-hui's speech at the National Unification Conference on 8 April is the highest level policy reaction made by the Taiwan authorities to Jiang Zemin's 8-point proposal. The speech was drafted through careful preparations by relevant departments over the past two months or so. Although Li Teng-hui did not respond individually to each of Jiang's important proposals on upholding "one China," carrying out high-level exchange visits and cross-strait political negotiations, and ending the state of hostility, he made a relatively positive reaction to the development of cross-strait economic and trade cooperation and the expansion of cultural exchanges, because of the pressure from inside and outside the island. Comments from Hong Kong and Taiwan media all maintain that such objective dialogue across the strait has created favorable conditions for increasing high-level cross-strait communications and gradually realizing high-level cross strait contacts and political consultations.

The Further Expansion of Nongovernmental Exchanges

Over the past six months since General Secretary Jiang delivered the speech, relevant departments in Taiwan have further lifted the restrictions on cross-strait contacts and nongovernmental exchanges:

First, the adoption of the "bill on cross-strait economic and trade development at the present stage." Taiwan's "Executive Yuan" officially adopted the bill on 6 February, which clearly pointed out the necessity of establishing an order for cross-strait economic and trade exchanges and promoting economic and trade relations which benefit each other with the market as the guide; and decided to drastically remove the restrictions on importing products from the mainland and simplify the procedures for importing materials from the mainland. Meanwhile, Taiwan's "Finance Ministry" also revised the "Rules for Taiwan's Financial Organizations To

Handle Indirect Remittance to the Mainland," lifting the restrictions on indirect remittances to the mainland.

Second, the lifting of restrictions on mainland people visiting Taiwan. Taiwan's Mainland Affairs Council [MAC] adopted the revised bill, "Regulations for Permitting Mainland People to Visit Taiwan" in late March. After the revision, relatives of Taiwan residents originally not allowed to enter the mainland could visit Taiwan. The period of stay of fathers, spouses, or children of Taiwan compatriots on the mainland in Taiwan has been extended from three months to six months. The period of stay for those attending funeral services in Taiwan has been extended from one to two months. The procedures for applying to enter Taiwan and extending one's stay in Taiwan have also been simplified.

Third, the adoption of the "Plan on Strengthening Cross-Strait Nongovernmental Exchanges." On 27 March, the MAC of Taiwan's "Executive Yuan" adopted the bill entitled "Plan on Strengthening Cross-Strait Nongovernmental Exchanges at the Present Stage." According to Taiwan media, the bill "is a specific reaction in policy toward the mainland in light of the spirit of Lien Chan's speech." The bill stressed that "economic and trade exchanges, cultural and education exchanges, routine consultations, and review of regulations" will be the focus of work toward the mainland in the future. In cultural and education exchanges, the bill clearly proposed "promoting cross-strait scientific, technological, cultural relic, journalism, and educational exchanges."

Fourth, the formulation and adoption of regulations for mainland economic and trade businessmen to enter Taiwan. To meet the new situation of closer economic and trade connections across the strait and increasing economic and trade contacts, Taiwan's "Economic Ministry" drafted the "Regulations for Mainland People to Visit Taiwan and Engage in Economic and Trade Activities," which was adopted by the "Executive Yuan" on 17 April. According to the regulations, the relevant companies and groups engaged in economics and trade in Taiwan may apply for senior officers, economic and trade experts, and figures with important status from the mainland's institutions and nongovernmental economic and trade organizations to visit Taiwan and attend conferences.

Fifth, studying cross-strait agricultural cooperation measures and expanding cross-strait agricultural exchanges. Taiwan's "Economic Ministry" decided on 10 April to lift restrictions on imports of 49 mainland farm products, including beef, mutton, rabbit fur, and wooden articles. Meanwhile, Taiwan's "Agriculture Committee" also decided to drastically lift the restrictions on Taiwan's indirect agricultural investment in the mainland and to

establish the "Asian Agricultural Development Fund," which will serve as an intermediary organization for developing agricultural cooperation with the mainland. Taiwan's relevant units also decided to hold a "Cross-Strait Agricultural Symposium" in Taiwan in November this year, inviting mainland's agricultural officers at and above bureau and department level to attend and "make preparations for cross-strait agriculture to enter the stage of cooperation."

Sixth, establishment of the "transportation center outside the border," which will make preparations for direct air and shipping services across the strait. To evade the authorities' current regulations which ban direct communications between two sides of the strait, Taiwan's relevant departments have decided to set up a "transportation center outside the border" in Gaoxiong first and then covertly ship direct to the designated ports across the strait through the form of opening the ports to expedient and foreign ships. According to Taiwan's plan, Kaoxiong's "transportation center outside the border" will start operation on 8 May. As cross-strait shipping involves security control, examination and approval of ships, and other complicated factors, the relevant mainland departments have made open statements, urging the Taiwan side to consult the mainland's Communications Ministry before implementation of the plan. It is estimated that a period of time will be required for genuine implementation of direct communications.

Transition to Policy-Related Dialogue

The most positive point in Taiwan's reaction to General Secretary Jiang's speech is the willingness to bring both sides of the strait into the era of consultation. The "Plan on Strengthening Cross-Strait Nongovernmental Exchanges at the Present Stage" adopted by the "Executive Yuan" in late March also stressed that cross-strait routine consultations will be the focus of mainland work and proposed that the two sides should hold consultations on commercial arbitration and reach agreements on protecting Taiwan investment as early as possible, reach agreements on the repatriation of hijackers and illegal immigrants and on handling of fishing disputes, and plan for the timing and topics of the second Wang-Ku meeting. To greet the arrival of the era of cross-strait consultations, the Taiwan authorities also adopted measures to enhance the functions of the Straits Exchange Foundation [SEF], transfer officials between the MAC and the SEF, allow MAC officials to assume directors of the SEF council, and plan to send principal officials of relevant departments to attend the special cross-strait talks in their capacity as "SEF experts and advisers" so as to upgrade the level of the talks. The mainland's Association for Relations Across the Tai-

wan Strait [ARATS] sent a letter to SEF on 28 April, proposing a second Wang-Ku meeting at an early date. On 12 May, Taiwan's MAC officially authorized SEF to contact the relevant mainland departments on making preparations and working out specific plans for the second Wang-Ku meeting scheduled for June or July in Beijing. To regularize the Wang-Ku meeting, MAC Chairman Hsiao Wan-chang proposed on 13 May that a system be established on holding the Wang-Ku meetings on both sides of the strait in turn. SEF Director Gu Chen-fu announced on 18 May that he accepted the invitation given by Wang Daohan. SEF also wrote to ARATS, inviting ARATS vice executive chairman Tang Shubei to Taipei on 27 May to hold a preliminary meeting with SEF deputy director Chiao Jen-he to discuss the procedures and topics of the Wang-Ku meeting.

Changes Arising From Li Teng-hui's U.S. Visit

A review of the changes in cross-strait relations over the past six months indicates that there has been gratifying progress as well as a number of problems and obstacles. First, the Taiwan authorities still stick to their "separation and separate rule across the strait," which is in essence the policy of "two China's." This is the main factor affecting current cross-strait relations and also the fundamental reason for the failure to reach an agreement on cross-strait routine consultations. Proud of being favored by the United States, Li Teng-hui's visit there has created problems for cross-strait relations. Second, the Taiwan authorities insist on taking the mainland's declaration of not resorting to force first as the prerequisite for direct trade, mail, and communications. As a consequence, no breakthrough progress has been made in cross-strait relations, and the state of hostility across the strait has not yet ended. Third, the Taiwan authorities insist on linking "developing activities in international living space" with its mainland policy and have vigorously pursued "pragmatic diplomacy" and "monetary diplomacy," in an attempt to create "two China's" in the international community. These activities are bound to affect cross-strait relations. Hence, it will be difficult to break through the current cross-strait political deadlock within a short period of time. In the course of the development of cross-strait ties, all sorts of struggles and even setbacks and repetitions will also be inevitable. Nevertheless, cross-strait economic, trade, and cultural exchanges and personnel contacts will continue to expand as they accord with the will of the people and the general trend of events.

'Hardliners' Call For Reassessment of Ties

*HK1206125395 Hong Kong LIEN HO PAO
in Chinese 11 Jun 95 p 8*

[Report from Taipei and Beijing by reporter Wang Yu-yen (3769 3768 3601): "Irritated by Li Teng-hui's Words and Deeds and Provoked by Taiwan's Military Exercises, Hardliners in China's Taiwan Affairs Departments Get the Upper Hand"]

[FBIS Translated Text] Taiwan President Li Teng-hui's visit to the United States has strained relations between the two sides of the Taiwan Strait. A source in Beijing pointed out: The hardliners have gotten the upper hand within the mainland's Taiwan affairs policy-making departments. They are urging the authorities to reassess cross-strait relations. The second consultation between Chiao Jen-ho and Tang Shubei to be held at the end of this month in preparation for the "Wang-Ku meeting" is likely to be affected.

The source said: On the question of how to resolve the Taiwan issue, there have always been two "voices," the moderate and the hard-line, within the mainland's Taiwan affairs departments. When delivering an eight-point speech on cross-strait relations early this year, CPC General Secretary Jiang Zemin adopted the proposals of those calling for relaxation, hoping that cross-strait relations would become more harmonious. However, with Li Teng-hui hardly responding to Jiang's eight-point political proposals, Beijing is very disappointed, while the U.S. decision to allow Li to visit the United States has irritated the Beijing authorities once again.

According to the source, as far as the mainland is concerned, Li's visit to the United States is something from which Taiwan has "gained all the advantages," and the Beijing authorities have conceded as much. Beijing can also bear President Li Teng-hui's recent call for Beijing to recognize the divided rule across the Taiwan Strait and his remarks that the Republic of China has an 84-year history and that sovereignty lies with the people. What has disgusted Beijing most is his remark that "Taiwan is the father and communist China is the son" and the series of military exercises conducted by Taiwan toward the end of May and early June.

In the view of the Beijing authorities, the three military exercises conducted by the Taiwan military prior to Li Teng-hui's visit and pointedly directed at the Chinese mainland constitute a military provocation against the mainland. While vigorously conducting "two Chinas" diplomacy in the United States, he has also "put up a show of force" against the mainland, and this is unbearable to Beijing. The source pointed out: With Li's U.S. visit drawing to an end, the mainland is

making a comprehensive assessment. At the moment, those calling for the adoption of a tough attitude against Taiwan have gotten the upper hand. So far, the mainland side has made no preparations at all for the second Chiao-Tang preparatory consultation session scheduled for the end of this month. It is still hard to say whether the meeting will be as upbeat as the first one.

Groups Confer Over Cultural, Educational Issues

OW1206103195 Taipei CNA in English
0949 GMT 12 Jun 95

[By C.P. He and Lillian Wu]

[FBIS Transcribed Text] Beijing, June 12 (CNA) — Representatives from Taiwan's Straits Exchange Foundation (SEF) met with their Mainland Chinese counterparts Monday to discuss how to overcome hurdles in cultural, educational, journalistic and scientific exchanges between the two sides of the Taiwan Strait.

SEF Deputy Secretary-general Li Ching-ping said that although high-level talks two years ago laid the framework for cross-strait exchanges, problems have arisen since then.

They said that both SEF and ARATS should think about how to simplify travel procedures for people on both sides of the Taiwan Strait. Equitable exchanges of Taiwan and mainland journalists also should be addressed.

SEF officials suggested that when private Taiwan organizations invite mainlanders to visit Taiwan, the mainland side should not change the invitations to include other individuals. They also suggested that the mainland allow more scholars to attend academic or professional conferences in Taiwan.

In addition, the officials noted that Mainland China has not yet drawn up laws and regulations to allow Taiwan cultural works and artifacts free access to the mainland, and Taiwan has often been asked to shoulder high exhibition fees for showing mainland artifacts.

The SEF cultural delegation arrived in Beijing Sunday for a 10-day visit. The delegation will visit the Beijing Ministry of Culture, State Education Commission as well as colleges and universities in Beijing, Jinan, Shanghai, Fuzhou and Shenzhen.

Based on the principle of reciprocity, ARATS Deputy Secretary-General Liu Gangqi will lead a similar cultural delegation to visit Taiwan on July 4 or 5 for a five-day visit.

In addition to ARATS officials, Liu's delegation is expected to include officials from the State Education Commission, State Science and Technology Com-

mission and State Bureau for Preservation of Cultural Relics.

SEF and ARATS are intermediary bodies set up by Taipei and Beijing respectively to handle civilian exchanges between the two sides of the Taiwan Strait in the absence of diplomatic ties.

Official Denounces Mainland's Hegemony Over UN

OW1306113795 Taipei CNA in English
0946 GMT 13 Jun 95

[By Willie Chu]

[FBIS Transcribed Text] San Francisco, June 12 (CNA) — Chang King-yuh, a minister without portfolio in the Republic of China [ROC] cabinet, said Monday that participation of the ROC in the United Nations is not only consistent with the spirit of the UN charter, it is also an affirmation of the principle of international justice.

Chang made the remarks during a speech at a Stanford University seminar on "the United Nations and the China problem."

Twenty-four years have passed since the ROC was forced to leave the United Nations, he said. The Republic of China has come a long way since then. The ROC's pragmatic appeal to participate in the international community, the relationship between Taiwan and Mainland China and the general situation in the international community have all changed dramatically since then, he added.

"Then international community should, this very instant, stop succumbing to the hegemonic Chinese Communists. It should no longer sit by and watch as the UN charter is defiled. The international community should, instead, extend justice to the Republic of China. After all, the extension of justice is better late than never," Chang said.

Chang also said the ROC is a sovereign nation that has implemented democratic politics and free-market economics. "The ROC has always met the conditions for membership in the UN and is both very willing and very able to contribute to the international community."

If the Republic of China were able to participate once again in the United Nations, the international community would surely benefit, Chang added.

The ROC is the world's 14th largest trading nation and the sixth largest outbound investor. By the end of March 1995, the ROC had accumulated over US\$99 billion in foreign exchange reserves, he said.

In addition to its outstanding economic success, the ROC has lifted martial law, deregulated the media, provided real guarantees for human rights and held elections for all national representatives, thereby giving the fullest expression to the ideals of multiparty democracy in the ROC's parliamentary bodies, he continued.

"If Taiwan and the Chinese mainland were able to work together and respect each other as equals in international organizations and activities, this would have a most positive effect on relations between the two sides and the eventual unification of China under a system of freedom, democracy and equitable prosperity," he concluded.

Mainland Rejects Journalist Exchanges Proposal

*OW1306023695 Taipei CNA in English
0146 GMT 13 Jun 95*

[By Bear Lee]

[FBIS Transcribed Text] Beijing, June 12 (CNA) — Beijing on Monday rejected a Taipei proposal that both sides station reporters in each other's territory to facilitate journalistic exchanges.

Liu Gangqi, deputy secretary-general of the mainland's Association for Relations Across the Taiwan Strait (ARATS) told a visiting cultural delegation from Taipei's Straits Exchange Foundation (SEF) that "the time is not ripe for both sides to exchange stationed reporters."

The group, led by SEF Deputy Secretary-General Li Ching-ping, arrived in Beijing on Sunday for a 10-day visit. The SEF and ARATS are the two intermediary bodies set up by the two sides to handle civilian cross-strait exchanges.

Liu cited differences in ideology and social systems as the major obstacles to the proposed exchange of reporters, which has long been pushed by the Taiwan media.

Cross-strait journalistic exchanges are among the eight main topics to be discussed during the second round of high-level negotiations between SEF Chairman Ku Chen-fu and ARATS Chairman Wang Daohan late next month in Beijing.

The SEF will also propose during the meeting that the two sides be allowed to publish newspapers in each other's territory, but Liu said he expects no progress to be made on either issue.

Liu said Taipei deems Beijing's restrictions on the number of Taiwan reporters working in the mainland, their lengths of stay, the places they are allowed to go, and the subjects they can cover "unacceptable", while

Beijing thinks the Taiwan media's practices are not consistent with the "one China" principle.

"Such differences are not expected to be narrowed soon", Liu said, adding that the journalistic exchange program should thus be limited to the exchanges of visits by top executives of news outlets and senior journalists from both sides.

Corporation May Purchase Crude Oil From Alaska

*OW1306023495 Taipei CNA in English
0119 GMT 13 Jun 95*

[By Bear Lee]

[FBIS Transcribed Text] Taipei, June 12 (CNA) — The state-owned Chinese Petroleum Corp. will likely purchase crude oil from the American State of Alaska, CPC Chairman Chang Tzu-yuan said Monday.

"Under the set strategy to diversify sources of oil supply, the CPC would not rule out the possibility of importing oil from Alaska as long as the quality of the oil meets CPC demands and the supply is steady," Chang said at a legislative meeting screening the CPC's budget.

Alaska recently lifted its ban on crude exports. In his meeting with ROC [Republic of China] President Li Teng-hui on Sunday in Anchorage, Alaskan Governor Tony Knowles expressed the hope that Taiwan would import crude and gas from his state.

But Chang said the CPC would study further the quality of Alaskan oil and other related issues before a final decision is made.

Taiwan is heavily reliant on oil imports, with Saudi Arabia and Kuwait being the biggest suppliers.

Ambassador Notes Good Relations With Nicaragua

*OW1306023595 Taipei CNA in English
0135 GMT 13 Jun 95*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, June 12 (CNA) — Lin Ki-tseng, the Republic of China [ROC]'s ambassador to Nicaragua, said on Monday that the current friendly and cordial ties between the two countries will not be affected by the outcome of the approaching Nicaraguan presidential and parliamentary elections.

Lin made the remarks when reporting on ROC-Nicaragua relations to a joint session of the Legislative Yuan's Foreign Affairs and Overseas Chinese Affairs Committees.

Lin said the ROC embassy in Managua is closely monitoring the election campaigns in Nicaragua, which

he said were being enthusiastically followed there. He added that although a new Nicaraguan president may be elected and the makeup of the parliament may change, the diplomatic ties the two countries enjoy would not be affected.

In addition to hailing and extending the ROC's appreciation for Nicaraguan President Violeta Barrios de Chamorro's strong support of the ROC in the international community, Lin pointed out that the ROC embassy in Managua also maintains good relations with Nicaraguan opposition politicians.

Chamorro resumed full diplomatic relations with the ROC in 1990, soon after being elected president. In 1985, the then-ruling Sandinista regime in Nicaragua shifted recognition from Taipei to Beijing.

Being a strong supporter of the ROC, President Chamorro fully backs the ROC Government's efforts to join such international organizations as the World Trade Organization and the Inter-American Development Bank, Lin noted.

Chamorro gave a speech supporting the ROC's membership in the United Nations at the 47th UN General Assembly on September 22, 1992, becoming the first foreign head of state to speak in favor of the ROC since the China seat at the UN was given to Beijing in 1971. She also spoke for the ROC's UN bid at the UN's 48th and 49th General Assemblies.

Panama Hopes For Closer Agricultural Cooperation
OWI306100095 Taipei CNA in English
0910 GMT 13 Jun 95

[By K. C. Huang and Lilian Wu]

[FBIS Transcribed Text] Panama, June 12 (CNA) — Panamanian officials Monday expressed the hope for closer agricultural cooperation with the Republic of China [ROC] to help improve agricultural production.

Panamanian Minister of Agricultural Development Carlos Sousa Lennox and Minister of Commerce and Industry Nitzia de Villarreal made the remarks during a meeting with a visiting ROC agricultural delegation.

Sousa said that Panama is expected to enter the World Trade Organization (WTO), the successor to the General Agreement on Tariffs and Trade, by the end of the year. Faced with the impact of the WTO entry, the nation must modernize its agriculture, he added.

He expressed satisfaction with bilateral agricultural cooperation, which began more than 25 years ago, but hoped it can expand into other fields, including cultivation of export crops, horticulture and technical training.

Sousa also expressed the hope that Taiwan will begin to import beef from Panama, while de Villarreal called on the ROC to help investigate Panama's marine resources and establish a fishermen's training center.

de Villarreal also suggested that Taiwan fishing boats use Panamanian harbors as supply bases and study the possibility of joint ventures in fishing.

The nine-member ROC delegation, led by Council of Agriculture Vice Chairman Ling Shiang-nung, arrived here Sunday. The delegation will study the assistance rendered by the ROC agricultural technical mission in Panama and seek areas for future improvement.

The delegation will also visit shrimp cultivation ponds, a Taiwan agricultural technology center, rice fields, farmlands and a duck husbandry center.

Panamanian President Ernesto Perez Balladares will meet with the delegation before they leave for Nicaragua Wednesday.

APEC Transportation Symposium Opens 12 Jun
OWI306102995 Taipei CNA in English
0904 GMT 13 Jun 95

[By Y. C. Pang and Lilian Wu]

[FBIS Transcribed Text] Washington, June 12 (CNA) — ROC Transportation and Communications Minister Liu Chao-shiuan and seventeen other representatives from Asia-Pacific Economic Cooperation (APEC) economies are taking part in APEC's first transport meeting which opened here Monday.

The two-day symposium, held at the U.S. State Department, is also attended by mainland Chinese Minister of Communications Huang Zhengdong.

U.S. Secretary of Transportation Federico Pena, in his address to the opening ceremony, said that Asia-Pacific is expected to invest US\$1 trillion in infrastructure in the next five years, which is tantamount to the construction of a large international airport each week.

Pena also said that in the next 15 years, the growth of air transportation in the region could top seven percent annually.

He said that the forum will discuss basic traffic construction, improved transportation networks, the application of transportation technology and personnel training.

On the first day of the meeting, transportation representatives from eight APEC members gave reports. The reports were issued by Taiwan's Yangming Marine Transport Corp. Chairman T. H. Chen, and Beijing's China

Ocean Shipping Company President Chen Zhongbiao, among others.

Representatives were mainly concerned with increasing international shipping cooperation and cutting operational costs.

Liu attended a dinner party Monday night hosted by Pena for delegates. At the party, Liu exchanged views with other representatives on Taiwan's six-year national development plan and Taiwan's goal of becoming a regional operations hub.

APEC includes Australia, Brunei, Canada, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, Papua New Guinea, Mexico, the United States and Chile.

Foreign, Overseas Chinese Investment Increasing

*OW1306101895 Taipei CNA in English
0953 GMT 13 Jun 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 13 (CNA) — Approved foreign and overseas Chinese investment in Taiwan topped US\$832 million during the first five months of this year, up 82 percent from the same period of last year, the Ministry of Economic Affairs' Investment Commission said Tuesday.

Taiwan's chemical manufacturing industry absorbed US\$202 billion of the investments, a whopping growth of 326 percent, followed by the electronics and electric appliance industry with US\$173 million, the commission noted.

In terms of sources of foreign capital, the United States topped the list by investing US\$257 million, up 194 percent. Investment dollars by Europe ranked second at US\$135 million, up 19 percent.

Approved Taiwan investment in foreign countries totaled US\$458 million during the five-month period, a decline of 44 percent from the year-earlier level, the commission noted.

Investment in foreign finance and insurance industries topped the list with US\$110 million, electronics and electric industries came in second with US\$94 million, followed by international trade at US\$64 million.

The United States attracted the most investment from Taiwan with US\$124 million, up 68 percent, the commission said.

Meanwhile, approved Taiwan investment on mainland China reached US\$394 million during the January-May period, up 6 percent from the first five months of last year, according to the commission tallies.

Investment in the mainland Chinese electronics and electric appliance industry topped US\$64 million in the first five months of this year, up 33 percent compared with US\$44 million registered in the year earlier level and accounting for 16.4 percent of total investment in mainland China.

The electronics and electric appliance industry, which once attracted huge foreign investment, has now become the leading investment item for Taiwan traders who invested in mainland China, the commission noted.

Exports Expected To Slow

*OW1306022295 Taipei CNA in English
0116 GMT 13 Jun 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 12 (CNA) — Despite a pickup in exports that began in the third quarter of last year, Taiwan's export sector, which has close links with the US and Japan economies, may experience a slowdown in the coming months, the Ministry of Economic Affairs forecast Monday [12 June].

In May, exports hit US\$10.07 billion, marking a single-month high in Taiwan trade history and the ninth consecutive month of significant growth.

However, the pace of exports may slow because of projected economic slowdowns in the United States, Japan, Hong Kong and Southeast Asia, where approximately 70 percent of Taiwan's overseas shipments go, the ministry's Committee of Economic Research and Development warned.

In addition, the committee expressed concern over the rise in the bad check ratio, anticipating tighter financial checks at local banks.

The committee also said it expected the Central Bank of China to keep a tight credit policy so as to curb anticipation of inflation with the coming typhoon season, even though the consumer price index slightly eased in May, growing at an annual rate of 3.31 percent.

Hong Kong

Reportage on Appeals Court Agreement

'Full Text' of Accord

HK1006064995 Hong Kong SOUTH CHINA MORNING POST in English 10 Jun 95 p 2

[Full text] of agreement signed between Hugh Davies, senior representative of the British team in the Sino-British Joint Liaison Group, and Zhao Jihua, senior representative of the Chinese team in the Sino-British Joint Liaison Group, in Hong Kong on 9 June 1995]

[FBIS Transcribed Text] After full consultations, the two sides of the Sino-British Joint Liaison Group have reached the following agreement on the question of the Court of Final Appeal in Hong Kong:

1. The British side agrees to amend the Court of Final Appeal Bill on the basis of the eight suggestions published by the Political Affairs Sub-group of the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region on May 16, 1995.
2. The Chinese side agrees to the British side amending the Court of Final Appeal Bill to make it clear that Section 83P of the Criminal Procedure Ordinance applies in a case where an appeal has been heard and determined by the Court of Final Appeal, and that there is therefore no need for further legislative or other provisions in relation to the power to inquire into the constitutionality of laws or to provide for post-verdict remedial mechanisms.
3. The British side agrees to amend the Court of Final Appeal Bill to include the formulation of "acts of state" in Article 19 of the Basic Law and to provide that the Court of Final Appeal Ordinance shall not come into operation before 30 June, 1997.
4. The Chinese side agrees that, after the Chinese and British sides reach this agreement, the legislative procedures for the Court of Final Appeal Bill, on which the two sides have reached a consensus through consultation, will be taken forward immediately to enable them to be completed as soon as possible before the end of July 1995. The Chinese side will adopt a positive attitude in this regard.

5. The Chinese and British sides agree that the team designate of the Hong Kong Special Administrative Region shall, with the British side (including relevant Hong Kong Government departments) participating in the process and providing its assistance, be responsible for the preparation for the establishment of the Court of Final Appeal on 1 July, 1997 in accordance with

the Basic Law and consistent with the provisions of the Court of Final Appeal Ordinance.

Zhao Jihua on CFA

OW0906163295 Beijing XINHUA in English
1559 GMT 9 Jun 95

[FBIS Transcribed Text] Hong Kong, June 9 (XINHUA) — The signing of the agreement on the Court of Final Appeal (CFA) in Hong Kong will provide an impetus to the cooperation between China and Britain over the Hong Kong issue as well as to the development of their relations in general, said a senior Chinese official here today.

Zhao Jihua, China's senior representative on the Sino-British Joint Liaison Group (JLG), made the point in a written speech read out after he and his British counterpart Hugh Davis signed the CFA agreement on behalf of their respective governments here this afternoon.

Zhao said that the CFA agreement is undoubtedly good news for the majority of the Hong Kong people as well as for the people in the world who are concerned with the CFA issue and the future rule of law in Hong Kong.

Describing the agreement as a case of successful cooperation between the Chinese and British sides in handling Hong Kong's transitional matters, he said that this has once again illustrated that no problems cannot be solved so long as the two sides perform sincere cooperation for the fundamental interests of the two countries and the long-term interests of Hong Kong [sentence as received].

Crediting the agreement to mutual efforts of the Chinese and British sides and the hard work of the experts of both sides, the Chinese official said that the importance and impact of the agreement should not be underestimated.

For most of the Hong Kong people, Zhao said, CFA was a new concept before the signing of the Sino-British Joint Declaration in December 1984, as over the past more than 100 years Hong Kong has had no right of final appeal with the right residing in Britain's Privy Council.

"It is the Chinese government that has decided, in accordance with its 'One Country, Two Systems' policy, to entrust high autonomy, including independent judicial powers and right of final appeal, to the Hong Kong Special Administrative Region (SAR) after it resumes its sovereignty over Hong Kong on July 1, 1997," emphasized Zhao.

And the establishment of the CFA in Hong Kong reflects the high autonomy granted to Hong Kong by the Chinese government, he added.

Recalling the process of negotiating the CFA agreement, Zhao said that the Chinese responded positively to the suggestion forwarded by the British side in February 1988 that the CFA be set up before July 1, 1997 so as to accumulate experiences for the CFA of the Hong Kong's SAR.

The Chinese side also agreed to consult and discuss with the British side on matters relating to the establishment of the CFA, hence the agreement in principle reached by the two sides in 1991, he said.

The 1991 accord, which the Chinese side still considers a good one, contained not only an agreement on the composition of the CFA and number of the judges but also an agreement to continue consultations and discussions on other essential matters concerning the CFA at every stage of the preparation for the establishment of the CFA so that the court could be set up at an appropriate time before 1997, the Chinese official said.

The Chinese side had thought that the CFA could be set up earlier on the basis of the 1991 agreement and by solving impending issues relating to the establishment of the CFA through further discussions between the two sides, but this had only proved to be wishful thinking due to some reasons known to all, and the discussion of the CFA issue had been delayed for 32 months, Zhao regretted.

A reality that both sides must face is that the Preparatory Committee responsible for the preparation of the establishment of the Hong Kong SAR and the team designate of the Hong Kong SAR will be in place in 1996, so it is only logical to put the team designate of the Hong Kong SAR in charge of the preparation for the establishment of the CFA, he said.

Such an arrangement will be a concrete reflection of the principle of "Hong Kong People Running Hong Kong" put forward by the Chinese government, Zhao noted.

The Chinese side sincerely welcomes the cooperation and assistance of the British side including relevant British Hong Kong government departments, he said, adding that this will be conducive to the smoothness of the preparation for the establishment of the CFA.

Zhao pledged that the Chinese side will adopt a positive attitude in taking forward the legislative procedures for the CFA Bill drafted by the British Hong Kong government to enable them to be completed as soon as possible.

And the CFA Ordinance will become the law of the Hong Kong SAR after necessary amendments in order to make it fully conform with the Basic Law, he said.

Chief Justice Confident

OW0906153295 Beijing XINHUA in English
1504 GMT 9 Jun 95

[FBIS Transcribed Text] Hong Kong, June 9 (XINHUA) — Hong Kong's Chief Justice Ti Liang Yang today expressed his confidence in the future of Hong Kong's legal and judicial systems.

Speaking at a joint graduation ceremony of local religious schools, the Chief Justice said he is confident that Hong Kong's legal and judicial systems will remain unchanged for 50 years after 1997 as this has been stipulated clearly in the Basic Law of the Hong Kong Special Administrative Region.

He said that the real challenge is not in 1997 but in maintaining a system that was efficient, cost-effective, and commensurate with the needs of a developing society.

It is important to improve the quality of the personnel involved, and to work towards bilingualism in the courts, since 98 percent of the local population have Chinese as their first language, he said.

He noted that June 30, 1997 has been set as the target date to adopt bilingualism including both Chinese and English in the courts.

On the agreement on the question of the Court of Final Appeal (CFA) reached between the British and Chinese sides this afternoon, the Chief Justice said that he was pleased to see an end to the uncertainty surrounding the establishment of the court.

He said that fears over a judicial vacuum in Hong Kong in 1997 are now removed by the agreement and the Judiciary looks forward to participating and assisting in the establishment of the CFA and its operation.

'Local Community' Pleased

HK1006045095 Beijing ZHONGGUO XINWEN SHE in English 1422 GMT 9 Jun 95

[FBIS Transcribed Text] Hong Kong, June 9 (CNS)—After lengthy talks that have been dragged on for five years, China and Britain have finally arrived at a consensus on the Court of Final Appeal (CFA) issue. Whilst the Hong Kong community is generally very pleased with the outcome and success of the talks, it also hopes the British side can show its sincerity to co-operate through sustained practical actions.

Simon Li, a Hong Kong Affairs Adviser, Hong Kong convener of the Political Affairs Sub-group of the Preliminary Working Committee (PWC) of the Hong Kong Special Administrative Region (SAR) and former Vice-President of the Court of Appeal of the Supreme Court in Hong Kong, told CNS [CHINA NEWS SERVICE; ZHONGGUO XINWEN SHE] reporter that it would have been good if the agreement of principles of the CFA made between China and Britain in 1991 had been executed earlier and that would have led to founding of the CFA prior to July 1, 1997.

But the matter has been, due to no fault of the Chinese side, been delayed for nearly three years, so, even through we may want to rush in order to have it formed before 1997, it is not easy to do so, Li continued. The agreement we have made now is a good agreement based on reality, and this is in line with both the Joint Declaration and the Basic Law, so one shall no longer fear any "judicial vacuum" in the territory.

Raymond Wu, Hong Kong Affairs Adviser and PWC Cultural Affairs Sub-group Convener, said the agreement fully depicts the spirit of "mutual forgiveness and understanding between the two sides," and he hopes the British side will cherish the fine cooperative trend it has just developed with China by not creating any more barriers.

Jose S.S. Yu, a Hong Kong Affairs Adviser and chairman of HKI Group of Companies said as part of the business community that will remain, staying to build Hong Kong after 1997, he felt this is a good agreement that would greatly enhance the confidence of both Hong Kong citizens and foreign investors.

The smooth, stable transition of Hong Kong depends on the power and unity of the people living in the motherland as well as Hong Kong compatriots, Yu added. He greatly hoped that this is a good beginning of Sino-British co-operation, and the British side will act, in convergence with the Joint Declaration and Basic Law, and minimize troubles.

Eddy Li, Hong Kong Affairs Advisor and president of China & Hong Kong Economic and Trade Association, said it is exciting, as both sides have at long last managed to clinch a deal after five years. He continued that, as 1997 is imminent, there are lots of problems to be resolved between the two sides.

He also hoped that China and Britain can as well arrive at a consensus of other important issues, such as financial arrangements of the new airport, the new container terminals, the strategic sewage scheme, reclamation and major infrastructure projects. As Hong Kong is now hard hit by declining economic growth and a high

unemployment rate, the timely resolution of the above strategic issues will bring a lot of good to Hong Kong's economy and social stability.

Businessmen Applaud Deal

OW1006134495 Beijing XINHUA in English
1234 GMT 10 Jun 95

[FBIS Transcribed Text] Hong Kong, June 10 (XINHUA) — The signing of the agreement on the Court of Final Appeal (CFA) in Hong Kong was warmly welcomed by the local and international business communities.

They hailed the agreement, which was reached here on Friday between China and Britain, as a major boost to confidence and voiced their strong support for the deal.

The "South China Morning Post", a leading local English newspaper, today quoted the chairman of the Hong Kong General Chamber of Commerce William Fung Kwok-lun as saying that the agreement was important for the territory to avoid a gap in the avenue for final appeal.

"This agreement will be good for business confidence and we hope the draft bill will be passed by Legco," said Fung, adding that the agreement signified a breakthrough in the often icy relationship between the Chinese and British governments on Hong Kong's transitional matters.

Raymond Chien Kuo-fung, chairman of the Federation of Hong Kong Industries, also saw the agreement as a sign of a thaw in Sino-British relations.

He was quoted as saying that the announcement meant the Hong Kong Special Administrative Region would have a sound, independent and complete judiciary system.

The agreement ensured there would be no legal vacuum during the transfer of sovereignty, which should be viewed positively by the international business community, he said.

The clinching of the deal also drew the applause from the international business community as well as the foreign consulates in the territory, said the newspaper.

It quoted Thomas Gorman, chairman of the American Chamber of Commerce, as saying that the conclusion of an accord on the court would be seen by American investors as a signal of the continuation of Hong Kong's independent and effective legal system.

The agreement will boost international investors' confidence in Hong Kong's continuing growth, prospects

and viability as an international financial and commercial center, said Gorman.

The U.S. Consulate said that the agreement is "a step forward in assuring the continuity of the rule of law so important to Hong Kong".

Bar Laments 'Compromise'

*HK1006073295 Hong Kong EASTERN EXPRESS
in English 10 Jun 95 p 2*

[By Mary Luk]

[FBIS Transcribed Text] The Bar Association chairwoman last night condemned the CFA agreement as a "very unhappy compromise". Gladys Li QC described the agreement as "making the best of a bad job" and criticised the amended CFA bill as being full of ambiguities.

The Chief Justice, Sir Ti Liang Yang, and the Law Society president, Roderick Woo, said they were disappointed that the court would not be set up before the sovereignty change, but both said they generally accepted the agreement.

Li said the Bar could not accept the new agreement because there was no flexibility on the ratio of local and overseas judges, adding that this would greatly undermine the Judiciary's independence. "Any restriction on flexibility to invite overseas judges is not in accordance with the Joint Declaration and the Basic Law."

She said that, although the agreement, which fixed the ratio of local to overseas judges at 4:1, was unsatisfactory, it had been hoped that it would enable the CFA to be set up before 1997. Li said ambiguities in the bill included whether the court's jurisdiction on "acts of state" would cover defence and foreign affairs. It also failed to define what areas were within the court's jurisdiction, and what areas had to be referred to the Standing Committee of China's National People's Congress.

She said the agreement compromised the independence of the Judiciary by allowing the Chief Executive to conduct the first meeting of the Judicial Service Commission for the appointment of the first special administrative region Chief Justice.

Woo said he was disappointed that the agreement failed to make solicitors eligible to be CFA judges. He would seek clarification on whether Britain and China would cooperate in setting up the court if the amended bill was thrown out by legislators. Yang said even though the court would be established late, it was not that detrimental, as long as it was well set up. The CFA would have the same function and jurisdiction as the

Privy Council and the public should have confidence in the new court.

Admendments to Bill Ignored

*HK1306065395 Hong Kong EASTERN EXPRESS
in English 13 Jun 95 p 2*

[By Mary Luk]

[FBIS Transcribed Text] The Government has turned almost a deaf ear to a series of proposed amendments put forward by the legal profession on the bill to set up the court of final appeal. This emerged yesterday as the Law Society unveiled to its 3,100 members its list of proposals to the Government in January this year.

The Law Society said many of its recommendations had not been adopted in the Government's newly amended CFA bill, which was agreed with China and gazetted last Friday. The Government, however, accepted all eight proposals of the Preliminary Working Committee's political sub group on the issue as part of the overall agreement with China.

In its weekly circular to members, the Law Society said it had been unable to provide members with details of the proposed amendments earlier because of the undertaking made to the Government to keep the correspondence confidential until the bill was gazetted. "Members will note that while some of the amendments have been taken on board, many have not been adopted in the bill," the circular said. Many important clauses in the amended bill fail to follow the recommendations made to the Government by the Law Society in January and by the Bar Association last December.

Some key proposals, including separating the power of the Chief Justice from the administration of the Judiciary, the eligibility of solicitors to be appointed as CFA judges, and a clearer definition of "acts of state" were ignored.

The Director of Administration, Richard Hoare, yesterday could not specify how many recommendations the Government had accepted from the two branches of the legal profession in the amended bill, but said there were at least several. He said the Government had accepted the Bar Association's proposal to allow a barrister who had practised for a period of at least 10 years to become eligible for appointment as a nonpermanent CFA judge. He also pointed out that the clause making any retired Chief Justice of the Supreme Court, retired Justice of Appeal, or retired Judge of the High Court eligible for appointment as the first Chief Justice, or permanent judge, was newly incorporated in the amended bill according to the Bar's proposal.

He said the Government had also accepted the Bar and Law Society's proposal to amend a section relating to leave to appeal in criminal cases. Under the amendment, leave to appeal shall not be granted unless it is certified by the Court of Appeal or High Court, as the case may be, that a point of law of "great and general importance is involved in the decision or it is shown that substantial and grave injustice has been done". The Law Society will hold a members' forum on June 23 to discuss the issue.

Parties To Join Forces

HK1106034295 Hong Kong SUNDAY HONGKONG STANDARD in English 11 Jun 95 p 1

[By Lily Mak]

[FBIS Transcribed Text] While the ink on the Sino-British agreement on the Court of Final Appeal (CFA) has yet to dry, the Democratic Party will attempt to forge an alliance with the Liberal Party in a meeting this coming week to get the pivotal clauses of the CFA Bill amended.

Speaking after a political forum, Democratic Party (DP) legislator Lee Wing-tat announced the first step they would adopt to get the CFA bill amended. "We shall meet with representatives of the Liberal Party (LP) in the coming week to see whether we can work together to amend the CFA Bill at least on two aspects," he said. "The CFA must be allowed flexibility in deciding on the composition of its judges and secondly, the CFA should be set up before 1 July 1997."

Mr Lee said the Liberal Party has expressed clearly in the past two days its desire to amend the bill on those two points. "We think if the two parties can join forces there is a high chance to get the bill amended," he said. Mr Lee also suggested that since the stance of the Association for Democracy and People's Livelihood (ADPL) was similar to that of the DP, the three parties could discuss the issue together.

LP legislator Ronald Arculli confirmed his party would have a meeting with the Democrats on the CFA Bill. "It is certain that we would listen, but discussion is another matter," Mr Arculli said. As to whether the LP would also like the wordings of "acts of state" in the bill amended, he said: "If we have to do so, the Basic Law will have to be amended before 1997. We don't know how it can be done."

Mr Arculli said LP legislators who were appointed members of the Legislative Council [Legco] must have a full and sound reason to be exempted from following the party line in voting. "There may be a case when a member is considering to compete in a certain functional

constituency where the electors have taken a strong stance towards the setting up of the CFA," he explained. "The party cannot force the member to take a stance under those circumstances," he said.

Meanwhile, Governor Chris Patten declined to say whether the government would withdraw the bill from its third reading in the Legco if it was successfully amended by legislators. He only reiterated that both the Chinese side and the Hong Kong Government would only accept this agreement. "We have made an agreement just as we did in 1991 with the Chinese officials," he said. "If the Chinese officials have made it perfectly clear that they would stand by that agreement but they wouldn't stand by any other agreement, that's what caused the problem with the Legco vote in 1991. "I am going to stand over that agreement and I am not going to accept any other. How could I?" he said. Mr Patten warned again that if Legco voted down the CFA Bill, it would have to bear the consequence of a "judicial rupture" after the change of sovereignty.

Xinhua News Agency Deputy Director Zhang Junsheng said he was glad to see an agreement reached by China and Britain on the CFA. He said it was Britain's concern if legislators would like to amend the bill since Britain was responsible for carrying out the agreement reached. "That is Britain's affairs. The British side should be serious and take a responsible attitude to implement the agreement," Mr Zhang said. "Apart from getting the bill passed through the Legco as soon as possible, there is a lot of other work which has to be done."

Commentary on Appeals Court Agreement

Britain 'Gave In'

HK1006064795 Hong Kong HONGKONG STANDARD in English 10 Jun 95 p 1

[By Staff Reporters]

[FBIS Transcribed Text] Britain yesterday gave in to almost all Chinese demands to enable the Court of Final Appeal (CFA) to be set up on 1 July 1997. The agreement marked a dramatic and public acknowledgment of a major shift in the balance of power.

In a brief five-point agreement, Britain acknowledged the status of the Preliminary Working Committee (PWC), accepted all eight of its recommendations on CFA technicalities and conceded China's right to set about setting up the court before the transfer of sovereignty. The agreement left in place the most contentious feature of the 1991 agreement: only one of the five judges on the Bench will be from overseas.

The pact, hailed by businessmen and deplored by many politicians, finally ended a saga that began seven

years ago. A beaming Chinese Joint Liaison Group (JLG) senior representative, Zhao Jihua, who signed the agreement yesterday, called it a sign of co-operation with Britain. Mr Zhao felt that the accord thrashed out after three days of marathon discussions this week, would foster closer co-operation with Britain with just over two years left to the transition.

The British apparently acquiesced to the Chinese demands on the eighth round of the JLG expert team negotiations. All eight of the PWC suggestions were adopted, despite earlier British reservations over two of those proposals, including the one giving the Chief Executive of the future Special Administrative Region the prerogative to appoint CFA judges as well as to extend their terms. The British side had opposed this on the grounds that it could hamper judicial independence.

Governor Chris Patten, in explaining the agreement to the Legislative Council yesterday, said the Chinese side had clarified that the Chief Executive would only sit in the commission that picked the judges. The Chief Executive would not, however, take part in making recommendations. During the emergency question session, Mr Patten said the British were satisfied that the two points, on appointment and on the extension of terms, conformed with the Basic Law.

The British also agreed to the Chinese demand that "acts of state", as defined in the Basic Law, be adopted into the CFA bill for discussion on 14 June. Both sides had differed on the definition of "acts of state", a concept in Common Law.

By postponing the CFA until China resumes sovereignty, the British had apparently abandoned Mr Patten's earlier position that the court should be ready by the middle of 1996 at the latest. The British Privy Council would continue poring over appeal cases from Hong Kong, averaging about a dozen a year, until 30 June 1997. Mr Patten said Hong Kong was in a dilemma because it faced either having no CFA or one that would be dismantled when China took charge.

Under the agreement, the British would allow the Chief Executive, his designate team of policy secretaries and relevant government departments to prepare for the CFA. The British side did manage to gain a guarantee that the CFA verdicts would be final.

Mr Patten sidestepped questions on whether the British side would endorse amendments by legislators. But he warned legislators to bear all the consequences if they amended the bill. Leading political parties vowed to amend the bill. Democratic Party leader Martin Lee Chu-ming denounced the agreement as an act of appeasement and a betrayal of the people. Liberal Party

leader Allen Lee Peng- fei said the ratio of judges in the CFA should be kept flexible and the court should be formed as soon as possible.

British Foreign Secretary Douglas Hurd welcomed the agreement. Mr Hurd yesterday urged the Legislative Council to pass the "necessary legislation during the current session". "This agreement is good news for Hong Kong. A Court of Final Appeal, based on the principles and practices of the Judicial Committee of the Privy Council, is essential for future confidence in Hong Kong," he said. Former British prime minister Baroness Thatcher, Chief Secretary Anson Chan Fang On-sang, Executive Councillor Andrew Li and Chief Justice Sir Ti Liang Yang joined the welcome chorus.

Late last night, a spokesman for the Hong Kong and Macao Affairs Office said: "We are delighted to see that the British side has agreed to revise the draft regulation on the Court of Final Appeal based on the eight-point opinions put forward by the Preliminary Working Committee of the Preparatory Committee of the Hong Kong SAR." He said some terms and procedures in it should be revised and adjusted in accordance with the Basic Law to make it a law of the Hong Kong SAR.

The Bar Association yesterday demanded amendments to the bill and was disdainful of any deal with the Law Society on a common stand on the issue.

Acting Chief Secretary Michael Leung Man-kin denied that there was any secret deal between China and Britain to reach an agreement. He emphasised that the deal would prevent a judicial vacuum while retaining the good practices of the Privy Council.

Director of Administration Richard Hoare added that the agreement was entirely in the interest of Hong Kong and in accordance with the Joint Declaration and Basic Law. Attorney-General Jeremy Mathews explained that the judicial vacuum could be prevented as the set-up would be undertaken by the team designate for the SAR, with the participation and assistance of the British side.

Analysis Praises Accord

HK1006070795 Hong Kong SOUTH CHINA MORNING POST in English 10 Jun 95 p 1

[("Analysis" by political editor Chris Yeung: "Accord Bodes Well for Future Talks")]

[FBIS Transcribed Text] The clinching of a deal over the establishment of the Court of Final Appeal will mark a watershed in the zigzag course of Sino-British negotiations on Hong Kong's handover. This is not the best accord: the territory would have been better served if the court had been allowed to run before 1997.

However, the significance of the package lies in the fact that adversaries have warmed to conciliation and pragmatism for the remaining 753 days of British rule. Even more importantly, it helps sweep away the uncertainty, for people and businesses here and abroad, about a gap in the judicial system.

A stronger message would have been sent to the local and international community by sticking to the commitment made in the 1991 agreement that the court take over from the Privy Council ahead of the change of sovereignty.

The British Government now accepts "participation" in the preparations before 1997 will ensure the best possible Court of Final Appeal is formed in a mirror image of the Privy Council. But it expects no more than that, and London is resigned to a limited and indirect role. In addition, despite the avowed commitment of the two governments to make all preparations before 1997, their past record of achieving anything in the Joint Liaison Group does not bode well.

As the airport saga testifies, putting signatures on agreements does not necessarily mean the end of the matter. Controversy and disputes in one form or another dog the discussion of nitty-gritty detail.

Nevertheless, there is cause for optimism. Officials on both sides were quick to point out that the resolution of one of the thorniest transitional issues will help improve relations. If China has been looking for a way of mending the fences after the bitter row over Governor Chris Patten's electoral reforms, yesterday's smiling signing ceremony does the job.

Many will still condemn the infamous "4-1" deal over the inclusion of expatriate judges. But others also believe it is equally, if not more, important for there to be agreement — even at the price of a lesser deal.

The package requires a joint effort by officials on both sides, for the current administration and the future chief executive-designate and his team to lay the groundwork for the court before 1997. The Legislative Council must also play its part in scrutinising a bill that will only become effective on July 1, 1997.

Although it is dangerous to read too much into the political significance of the outcome of a single issue, it does show that China can be conciliatory and flexible over matters of sovereignty when there is a need. However, more action is needed to prove that a new mood of co-operation pervades meetings of the Joint Liaison Group, which would free the log jam of handover issues with a flurry of signatures.

Editorial Urges Support

HK1006071395 *Hong Kong SOUTH CHINA MORNING POST* in English 10 Jun 95 p 14

[Editorial: "A Deal To Support"]

[FBIS Transcribed Text] China and Britain have moved swiftly from stalemate to agreement on the Court of Final Appeal. The signing of a pact yesterday to set up the court means that is now up to Legislative Councillors to confirm, or demolish, it. It is very much in Hong Kong's interests for Legco [Legislative Council] to approve the deal. But that will be a difficult conclusion for many legislators to reach.

The accord is far from ideal. It retains the four-plus-one formula for the ratio of local to foreign judges. Many regard this as a breach of the Joint Declaration and the Basic Law, both of which give the court the right to invite foreign judges as required — although Britain and China disagree with this interpretation. Of equal concern is Britain's agreement to draft the CFA Bill to include the Basic Law's definition of acts of state — the area over which the court will have no jurisdiction. The Common Law is clear that acts of state are confined to foreign affairs and defence. The Basic Law is not so restrictive: it talks of acts of state "such as" defence and foreign affairs. But Britain's concession that the court should not start until July 1, 1997, has made inevitable the acceptance of the Basic Law definition. However, it leaves China scope to narrow the court's jurisdiction.

China, for its part, also made big concessions. It has dropped its demand for a "post-verdict remedial mechanism", apparently shocked at the outrage this proposal caused. To have introduced a further remedy would have downgraded the new bench to the level of a court of second-last appeal and made a mockery of the judicial process.

China has also enhanced the independence of the committee advising on appointing new judges by accepting that the chief executive should take no part in its work once the first chief justice is named.

Legco Role Recognised

And, in a move which may have profound implications for the role of the Legislative Council in the final two years of British rule, China has accepted that "legislative procedures" should be put in train. This is implicit recognition of the legislature's role and legitimacy.

China knows Britain will not let Legco make sweeping amendments to the Bill. But legislators have the right of veto. Britain has made one further concession, which will ensure there is no judicial vacuum before the court

is set up: the Privy Council will continue to hear Hong Kong cases until June 30, 1997. This will not permit the seamless transition which would have been possible had the court been operating earlier, but it will ease the uncertainty felt in the business community.

Uncomfortable Feeling

Many people would agree with Democratic Party Chairman Martin Lee Chu-ming, who has said that whenever Britain and China reach an agreement, it results in a sell-out. The accord on the Court of Final Appeal leaves an uncomfortable feeling that the deal is not water-tight and that Britain did not push hard enough. But judgments cannot be based on uncomfortable feelings. The evidence points to genuine compromise on both sides and to negotiations in which each power acted in accord with its view of Hong Kong's best interests.

Legislators are faced with a difficult decision. They will have to make a judgment not just on the letter of the agreement, but on the spirit in which they believe China is likely to apply it. They will have to decide how narrowly they expect China to define acts of state and whether they trust Hong Kong judges to have the same strength of character with which they credit judges from other jurisdictions. Hong Kong looks to them for leadership, and no one will thank them for taking their decisions with one eye on September's elections.

Despite its faults, this agreement should be supported, if only for the practical reason that a court of final appeal is essential and there is no other court now on offer. The survival of the rule of law, which protects the territory's freedoms and business dealings, requires strong judicial institutions. And it requires public faith in the integrity of the judiciary. Legislators must decide whether that faith will be stronger if the court is set up under a structure agreed with Britain and compatible with Hong Kong's legal traditions and institutions — or whether a better, more credible court might be established if China imposes it.

Analysis Finds 'Appeasement'

HK1006073695 Hong Kong EASTERN EXPRESS
in English 10 Jun 95 p 2

[*"Analysis"* by political correspondent Sally Blyth:
"Appeasement Carries the Day"]

[FBIS Transcribed Text] There has not been such a broad smile on the faces of British diplomats in Hong Kong since Chris Patten arrived here in July 1992. The Foreign Office policy of appeasement has again prevailed, after three frustrating years of frosty and hostile relations with Beijing.

The much-hailed Sino-British agreement on the bill setting up the court of final appeal, signed yesterday, represents a climbdown on the part of the British Hong Kong Government. It has totally capitulated to every one of the proposals put forward by China's Preliminary Working Group — a body which, until now, the Government has refused even to recognise.

Furthermore, the two key PWC proposals which were rejected by the Government two weeks ago, on the grounds that they would threaten the independence of the judiciary and undermine the powers of the courts, have now been accepted.

The first is that the future chief executive of the special administrative region chair the meeting of the independent commission for the selection of the Chief Justice of the first court to be set up in 1997. The Governor has justified this climbdown on the grounds of a Chinese assurance that the Chief Executive will just sit in on the meeting, but will have no say in the committee's deliberations.

The second and more important PWC proposal is that the definition of what constitutes an act of state be written into the legislation setting up the court.

This will reflect the wording in the Basic Law. But the Basic Law itself is vague on this point, leaving it up to Beijing to determine what constitutes an act of state. This means that China will be able to determine what cases can be heard by the court.

The Government argues that the concessions it has won from China, in particular the firm assurance that the court will be the final avenue of appeal, fulfils its own pledge that the nature and power of the court will not be compromised.

But this is exactly what the administration has now done.

An independent legislator, Christine Loh, hit the nail on the head yesterday when she stated that the concessions made by Britain have effectively granted China everything it wanted. Beijing now will be given a say in who will sit on the bench of the first court of final appeal, and will have the ability to control the powers of the court.

It has also thrown away the chance to have the court set up and operating before 1997. This was aimed at giving the court credibility and experience before links were severed with the Privy Council in Britain. The Government now argues that the court should have been set up in 1993, and one year would not have been long enough for the court to build up the reputation that was originally envisaged.

But, at the end of the day, perhaps the Governor was given no option but to capitulate. It is known that he was rapidly losing the support of his top policy advisers in the Executive Council [Exco] to go it alone and risk another row with China.

The warm endorsement by the business community of the deal, and the sigh of relief from the man in the street, means perhaps that Exco was reflecting the views of the community at large.

Accord Boosts Opportunity

HK1306064495 Hong Kong SOUTH CHINA MORNING POST in English 13 Jun 95 p 1

[By Chris Yeung and Noel Fung]

[FBIS Transcribed Text] Many more agreements or outstanding transitional issues would begin to flow in the wake of last week's Sino-British deal on the Court of Final Appeal, a senior Chinese official said.

Beijing would be adopting a positive attitude to improving the relationship between the two governments, said Chen Ziyang, Deputy Director of the Hong Kong and Macao Affairs Office. He described the court deal as "not the last nor the only agreement" to be struck. Mr Chen made the remarks in Beijing while meeting a visiting delegation of the Hong Kong General Chamber of Commerce.

Chamber vice-chairman James Tien Pei-chun said the group told Mr Chen the accord had helped boost investment confidence and opportunity. There was already hard evidence that the deal had bolstered confidence in the territory's future. It had convinced an international credit-rating agency to raise Hong Kong's credit-worthiness to a level higher than China.

Japan Bond Research Institute announced yesterday that the court deal reflected China's commitment to respect Hong Kong's independence in fiscal and monetary policy. In response, the institute lifted the sovereign ceiling rating on foreign currency debt due on or after 1997 from AA- to AA, "in view of China's adoption of a realistic policy aimed at maintaining Hong Kong's economic predominance". Consistent with such a move the credit-rating on the Mass Transit Railway Corporation, a statutory body that enjoys the sovereign rating, has also been upgraded.

A higher rating is usually translated into lower cost of funding when the corporation raises money from international investors. Mr Tien said the chamber was hoping for other spin-off benefits such as the stronger investment climate creating more employment. "We hope that the court deal will mark the first step toward greater co-operation between China and Britain on other

issues, including Container Terminals 9, 10 and 11, as well as the airport financing," he said.

Mr Tien a Liberal Party leader, has declared his support for the deal signed by the Joint Liaison Group (JLG) leaders last Friday — a stance not taken by all his party colleagues. A senior JLG source and government official, however, remained cautious on the spill-over impact of the deal on outstanding business. The JLG source said: "I don't think the passage will wave any magic wand. But it's an encouraging sign, of course. "It does signal co-operation and that we avoid a potential serious conflagration with the Chinese side." But he did not expect it to lead to the immediate resolution of other issues such as the problems surrounding CT 9, 10 and 11.

Credit rating agencies, wary of Hong Kong's situation after the 1997 changeover, have insisted that the territory's sovereign rating should not be higher than China's. In theory, a country can only have one rating. But Hong Kong poses a thorny exception to this rule owing to its vast difference in financial strength over China.

Encouraged by China's November 1994 agreement with Britain on the funding plan for the new airport and the court, Japan Bond Research Institute decided that "Hong Kong's sovereign ceiling rating can be higher than China's despite its sovereignty over Hong Kong". However, other agencies remain cautious. The US-base agency Moody's Investors Service said Hong Kong's A3 credit rating reflected increasing economic integration with China which is also rated A3.

It warned of pitfalls accompanying the handover including readjustment of the US dollar peg or absorption of the Hong Kong dollar and a worst-case scenario in which China broke its agreement with Britain.

'Constitutionality' Questioned

HK1306065195 Hong Kong EASTERN EXPRESS in English 13 Jun 95 p 1

[By Wing Kay Po]

[FBIS Transcribed Text] A constitutional row is looming over the court of final appeal just three days after Britain and China sealed the landmark accord to set it up on July 1, 1997.

Law scholars have questioned the constitutionality of the court to be set up under the CFA bill, which was gazetted last Friday.

They said the bill, even if passed by the Legislative Council, will not be able to straddle the transition as a valid piece of legislation under conditions set out by the

Basic Law. This would open the court to legal challenge after 1997, with litigants seeking to overturn it for being illegal, and thereby bringing the judicial system into disrepute.

The CFA bill clause 1(2) states: "This Ordinance shall not come into operation on or before 30 June 1997 and the following day shall be the day for the coming into operation of the Ordinance, which shall be amended as necessary to ensure that it is in full conformity with the Basic Law."

Professor Peter Wesley-Smith, the dean of the Law Faculty at Hong Kong University, said the Basic Law, the post-1997 mini-constitution for Hong Kong, states that "laws previously in force in Hong Kong" before 1997 shall be adopted as laws of the special administrative region. This is covered by articles 8, 18 and 160 of the Basic Law. However, since the CFA ordinance is not in force before July 1, it does not qualify as a law "previously in force", and so it is not covered by the Basic Law for straddling legislation. "Someone who is resisting an appeal can challenge that this court is invalid because the ordinance that establishes it has no legal effect," Wesley Smith said.

Nihal Jayawickrama, a senior law lecturer at Hong Kong University, echoed the view and added that there was nothing to prevent the pre-1997 legislature from deciding that a particular law shall come into force on July 1, 1997, but the Basic Law does not contemplate any such law being adopted as the law of the SAR. Jayawickrama said if the SAR adopts the CFA bill, it will be acting "outside the legal framework", and there is no reason for it not to adopt other legislation passed by the pre-1997 legislature to take effect well after the handover. "So why does the Hong Kong legislature not set up the Basic Law Committee (a post-1997 panel which will advise the NPC on the interpretation of the Basic Law), for instance?" he said.

The long-awaited accord has hitherto been hailed as one of the most important Sino-British deals ever, with both diplomatic and business circles banking on its success. It is envisaged that Britain and China will co-operate later to work out the actual details for the court's set-up.

Wesley-Smith said since the legislation cannot come into force until July 1, 1997, "it would be pointless, if not illegal, to appoint judges to it and make any other preparations for it" before 1997. He added it was "odd" that the bill, while stating it would not come into force before the handover, makes references to the Governor, Chris Patten. "If it does not come into force in 1997, what can the Governor do anyway... The Governor

won't exist, so why not just bite the bullet and refer to the Chief Executive?"

The Government, however was adamant that there were no legal problems with the bill.

The deputy solicitor-general, Robert Allcock, said there were slight differences between the Chinese and English versions of the Basic Law regarding straddling legislation. He said where the English text refers to "laws previously in force", the Chinese text says "laws existing". "There is no suggestion in the Chinese text that any ordinance enacted before July 1, but not brought into operation, does not carry forward after the transition," Allcock said. Even in the English version he said, "laws previously in force" include "ordinances".

Article 8 of the Basic Law states that "the laws previously in force in Hong Kong" include common law, law of equity, ordinances, subordinate legislation and customary law. "It is quite clear that if the CFA bill is enacted before 1997, it will be an ordinance and therefore be a law in force, and therefore something that carries forward under the Basic Law," he said.

Allcock said the problem was discussed at the expert talks leading to the accord, but neither China nor Britain raised any doubts about the approach adopted. Martin Lee, the chairman of the Democratic Party, said the Government had to satisfy Legco and the public that the CFA legislation was valid. The bill will be tabled to the Legislative Council tomorrow, a bills committee is expected to be set up on Friday, and the house committee to start meeting next week to scrutinise the bill.

Jiang Zemin Meets Hong Kong Businessman OW1206141495 Beijing XINHUA in English 1243 GMT 12 Jun 95

[FBIS Transcribed Text] Beijing, June 12 (XINHUA) — Chinese President Jiang Zemin met with Jonathan K.S. Choi, President of Sun Wah Group (Hong Kong), and had a cordial conversation with him here today.

Jiang said he appreciated Choi's keen concern about China's scientific and educational development.

Choi said he would continue to contribute to the development of China's scientific and educational undertaking.

Choi came to Beijing to set up an honorary fund for academicians of the Chinese Academy of Sciences and the first honorary fund was awarded to some senior academicians recently.

Zhou Guangzhao, President of the Chinese Academy of Sciences, attended the meeting.

Talks on PLA Post-97 Role To Be Kept Secret
HK1106040295 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 11 Jun 95 p 4

[Unattributed report]

[FBIS Transcribed Text] The People's Liberation Army (PLA) must come clean on its current movements in the territory, security panel deputy chairman James To Kun-sun said last night.

The Hong Kong Government and British military have been requested by the Chinese Government to keep details and even dates of future meetings on the handover top secret. Requests by the Sunday Morning Post for information on dates of meetings have been turned down and dates will not be disclosed even when delegations from China arrive in the territory.

Legislator Mr To said while he agreed certain details of talks and visits might have to be kept confidential, a more open attitude by the PLA would help public confidence. "If they can tell us something (about the talks) it would enhance our confidence about their arrival," he said.

Captain Peter Melson, the chief of staff of the British Garrison and local naval commander, said last week there would be "small pockets" of PLA personnel in Hong Kong before the handover, but little else is known about how they will operate here. He said last week there had been a visit about four weeks ago by a delegation of Chinese defence chiefs to the territory, but the visit, one of many sanctioned by the Defence Lands Agreement, was kept secret. Mr To said such secrecy could only add to the uncertainty about how the PLA might behave in Hong Kong following the changeover.

With just two years to go before the British Garrison is replaced by the PLA, there has still been no official agreement on the number of troops, the size of the Navy, and how it will operate.

Governor's Legislative Program Behind Schedule
HK1106040395 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 11 Jun 95 p 1

[By Connie Law and Quinton Chan]

[FBIS Transcribed Text] More than a third of the legislation promised by Governor Chris Patten in his policy address last year has yet to be tabled in the Legislative Council — and there are only seven weeks left before the legislature dissolves.

Mr Patten pledged last October to introduce 56 "main pieces of legislation" in the session that ends on July 26. Twenty-four bills have yet to be presented. They include

the Court of Final Appeal Bill held up by protracted negotiations with China, but now due next week.

Critical legislators said Mr Patten's administration was inefficient and accused the delay in tabling the bills of holding back Hong Kong. While most of the outstanding bills relate to the less politically sensitive issues of trade, industry and finance, some involve major decisions like regulating estate agents and strengthening workers' rights.

A government spokesman said: "We have done our best to achieve the programme." She said the number of the bills was unimportant; what was important was the passage of those which were presented. The administration had revised the legislative programme in March to give legislators time to concentrate on the most vital bills, she added.

But House Committee chairman Elsie Tu said: "I don't think he (the Governor) cares what happens after he gave his speech." The independent legislator and labour leader Lee Cheuk-yan, said the delay had damaged employees' benefits as the 24 bills included a package of proposals which would improve striking workers' rights and protect union members. "What happens if somebody is fired because of his trade union membership? He won't have enough protection unless the bill is passed," he added. "Mr Patten should explain the delay and tell the public how it is to avoid a repeat in the future." The administration has also put off introducing three bills aimed at protecting the environment.

Democratic Party legislator the Reverend Fung Chi-wood said the administration had no excuse for the delay. "All these bills have been proposed for a long time," he said. "The Government keeps stressing how much effort it has made to protect the territory. So how can they put off those important bills?" The delayed bills also include a series of proposals to strengthen Hong Kong's position as an international finance centre.

"The Government should recruit more law draftsmen if they think they haven't got enough," Mr Lee said. "If that is not the case, this delay really makes me question the Legal Department's efficiency."

Government 'Rethinks' Refugee Repatriation Policy
HK1006070995 Hong Kong SOUTH CHINA MORNING POST in English 10 Jun 95 p 1

[By Scott McKenzie and Greg Torode in Hanoi]

[FBIS Transcribed Text] The Government has put removals of Vietnamese from detention centres on hold while it "rethinks" its repatriation policy after the latest violent confrontations with boat people. Plans to remove

another 100 people from the High Island (north) camp later this month have been cancelled. Sources say there will probably not be any operations at High Island until at least the end of July.

The decision comes as United Nations refugee officials urged Hong Kong and Britain to force greater numbers of Vietnamese boat people home. The UN High Commissioner for Refugees (UNHCR) Asia chief, Werner Blatter, told the British Embassy in Hanoi and the Security Branch this week that more flights were needed, sources said. As a priority, the UNHCR wants Hong Kong to start with the 480 migrants who had volunteered and been cleared for return, only to "de-volunteer" recently.

The decision to stop removing people for deportation in effect prevents all forms of repatriation as the Government counts the cost of the clash with Vietnamese who seized control of most of the High Island camp for about eight hours on Thursday [8 June].

Top government officials say it would be impossible to continue the campaign of removing people from High Island for deportation because of overtime costs for Correctional Services Department officers and in repairs. For the 94 people targeted and removed on Thursday, the cost of sending them back to Vietnam, including the charter aircraft, "ran into millions upon millions", in the words of one official. Concerns have also been raised that the High Island camp — built at the height of the Vietnamese influx in 1989 — was not designed for high security. The threat of a mass breakout in future operations is said to be real.

Security Branch officials, who have decided to let things calm down, will probably await the outcome of a Republican-led proposal in America which has derailed the voluntary repatriation programme. President Bill Clinton is threatening to veto the measure for a variety of reasons, including its foreign policy provisions. The 222-192 vote on the bill fell short of the two-thirds needed to override a veto.

Trade Chairman Meets Hong Kong Delegation

OW1306091195 Beijing XINHUA in English
0828 GMT 13 Jun 95

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Guo Dongpo, Chairman of the China Council for the Promotion of International Trade (CCPIT), met here today with a delegation from the Hong Kong General Chamber of Commerce (HKGCC) led by its Chairman William Fung.

Guo said that CCPIT and HKGCC have a long-standing relationship of friendly cooperation. He hoped that both

sides will continue to work for the further growth of such friendly relations.

Fung expressed satisfaction over its cooperation with CCPIT.

Guo also answered questions raised by guests on the guideline of CCPIT, its exchanges with international economic and trade organizations and international arbitration.

Shortage Leaves Less Pure, More Expensive Heroin

HK1106040595 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 11 Jun 95 p 2

[By Darren Goodsir]

[FBIS Transcribed Text] The purity of street-level heroin has plummeted to a record low in an apparent reflection of chronic drug shortages. Police say the impact of massive recent seizures, a concerted blitz in Guangdong province on drug trafficking and the natural greed of street dealers have combined to affect the toxicity — leading to a significant rise in the number of quick-cash crimes. There are also reportedly skirmishes on the Thailand-Burma border in the heartland of the Golden Triangle which is also influencing the drop in supply. Force chiefs are collating figures from regions on the extent of the increase in petty theft, but it is already being linked to the heroin phenomenon.

In early 1994, the average purity in heroin was about 40 per cent — mirroring a glut of drugs. However, last month, this had dropped to barely 19 per cent. In some police regions, officers have reported batches of heroin with a pure content as low as 12 per cent. The average purity statistics are based on analysis by the Government Chemist of all seizures of heroin of five grams or less. Price movements are gleaned from discussions with addicts after arrest. Narcotics Bureau Superintendent Clive Tricker said the price of heroin was also rising.

Macao

Portugal To Ease Visa Rules for Mainland Chinese
HK1206064295 Hong Kong HONGKONG STANDARD in English 12 Jun 95 p 7

[By Harald Bruning in Macao]

[FBIS Transcribed Text] Portuguese Home Affairs Minister Dias Loureiro will simplify entry visa regulations for mainland Chinese planning to visit Portugal. Mr Loureiro made the announcement during a weekend visit to Macao for Portugal's National Day celebrations.

Portugal is keen to establish itself as a gateway nation to the European Community for businessmen from China and other Asian countries.

During his week-long visit to China from today, both sides are expected to discuss an agreement on fighting cross-border organised crime. The agreement is scheduled to be signed during China's Public Security Minister Tao Siju's visit to Portugal later this summer.

Mr Loureiro, whose portfolio includes public security and immigration matters, also plans to visit Shanghai and Xian during his visit.

Both Lisbon and Beijing have described their relationship concerning the smooth transition to Chinese rule on 20 December, 1999, as "excellent". Portuguese President Mario Soares paid a state visit to China earlier this year.

It could take several weeks and further work before mainland Chinese would be granted Portuguese entry visas. There are currently 1,000 Chinese residents in Portugal, mainly from Macao but also from China and Taiwan.

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